PETITION FOR WRIT OF CERTIORARI

Supreme Court, U.S.
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In the Supreme Court of the United States

ERICA P. JOHN FUND, INC., PETITIONER.

v.

HALLIBURTON CO; DAVID J. LESAR, RESPONDENTS.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the Fifth Circuit correctly held, in direct conflict with the Second Circuit and district courts in seven other circuits and in conflict with the principles of *Basic v. Levinson*, 485 U.S. 224 (1988), that plaintiffs in securities fraud actions must satisfy not only the requirements set forth in *Basic* to trigger a rebuttable presumption of fraud on the market, but must also establish loss causation at class certification by a preponderance of admissible evidence without merits discovery.

2. Whether the Fifth Circuit improperly considered the merits of the underlying litigation, in violation of both *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), and Federal Rule of Civil Procedure 23, when it held that a plaintiff must establish loss causation to invoke the fraud-on-the-market presumption even though reliance and loss causation are separate and distinct elements of security fraud actions and even though proof of loss causation is common to all class members.

RULES 14.1(b) AND 29.6 STATEMENTS

Pursuant to Rule 14.1(b), Petitioner states that the Erica P. John Fund, Inc. was known as Archdiocese of Milwaukee Supporting Fund, Inc. until February 11, 2009 when it changed its name. Petitioner further states that the only parties to the proceeding whose judgment is sought to be reviewed other than the individuals and entities identified in the caption are the following individual Plaintiffs:

1. Laborers National Pension Fund;
2. Plumbers and Pipefitters National Pension Fund;
3. City of Dearborn Heights Act 345 Police & Fire Retirement System;
4. John Kimble; and
5. Lt. Colonel Ben Alan Murphey.

Pursuant to Rule 29.6, Petitioner states that it has no parent corporation and no stock.

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OPINIONS BELOW

The opinion of the court of appeals affirming the district court's denial of class certification is reported at 597 F.3d 330. The district court's opinion denying class certification is unreported.

JURISDICTION

The judgment of the court of appeals was entered on February 12, 2010. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

RULES AND STATUTORY PROVISIONS INVOLVED

Federal Rule of Civil Procedure 23 is set out in the Appendix (Pet. App.) at 141a-49a.

Section 78u-4(b)(4) of the Private Securities Litigation Reform Act of 1995 (PSLRA), 15 U.S.C. § 78u-4 *et seq.*, is entitled "Loss causation" and states: "In any private action arising under this chapter, the plaintiff shall have the burden of proving that the act or omission of the defendant alleged to violate this chapter caused the loss for which the plaintiff seeks to recover damages."

STATEMENT

In *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), this Court adopted the fraud-on-the-market theory for demonstrating reliance in securities class actions, set forth the prerequisites for invoking that presumption, and established how that presumption may be rebutted. Because it is impossible to establish reliance as to misrepresentations on a class-wide basis without such a presumption, the fraud-on-the-market presumption is essential to virtually every successful securities class action concerning misrepresentations. The United States Court of Appeals for the Fifth Circuit, alone of all the circuits, holds that complying with the requirements set forth in *Basic*, which this Court endorsed in *Stoneridge Investment Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008), does not suffice to invoke the fraud-on-the-market presumption. Rather, a plaintiff in the Fifth Circuit must also establish loss causation by a preponderance of the evidence, even though proof of loss causation will be common to all class members and unnecessarily implicates the merits of the underlying claim.

To establish loss causation at class certification, the Fifth Circuit requires plaintiffs not simply to allege but rather to demonstrate by a preponderance of the evidence that the defendants' misrepresentations were "designed to defraud." Pet. App. 122a [hereinafter *AMS Fund*]. The Fifth Circuit stated in an earlier case that undergirds its decision here that plaintiffs may establish loss causation at class certification without merits discovery because the necessary "'proof' is drawn

from public data and public filings." *Oscar Private Equity Invs. v. Allegiance Telecom Inc.*, 487 F.3d 261, 267 (5th Cir. 2007). That was before the Fifth Circuit further tightened the requirements for demonstrating loss causation in *AMS Fund*, effectively requiring proof of scienter and imposing a virtually unattainable standard, in derogation of this Court's repeated recognition of the importance of private securities actions to help enforce federal securities law.

No other court has followed the rule created by the Fifth Circuit, which has established an exceedingly high standard for certifying a securities class action. The Second Circuit in *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474, 483 (2d Cir. 2008), held plaintiffs need not show loss causation to invoke the fraud-on-the-market presumption, and numerous district courts in seven other circuits have also rejected the Fifth Circuit's holding. Because the district court in this case stated that it would have certified the proposed class but for the Fifth Circuit's unique rule, this case squarely raises the question of the requisite showing to invoke or rebut the fraud-on-the-market presumption, important issues that will recur repeatedly in the Fifth Circuit and in other courts as well.

The conflict between the Fifth Circuit and the Second Circuit (and district courts in other circuits) is direct, recurring, and important. Regardless of whether the Fifth Circuit or the Second Circuit rule is right, the conflict should be resolved.

A. Factual & Procedural Background

This case is a securities class action brought against the Halliburton Company ("Halliburton") and David J. Lesar, its former president and chief operating officer (collectively, "Halliburton" or "Defendants"), on behalf of all purchasers of Halliburton's common stock. The Complaint alleges that during the class period, Defendants violated §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by deliberately falsifying Halliburton's financial results and deliberately misleading the public about its financial condition, particularly with respect to Halliburton's liability for asbestos claims and the adequacy of its asbestos reserves, the probability of collecting revenue on unapproved claims on fixed-price construction contracts, and the benefits of Halliburton's merger with Dresser Industries.

After the district court denied Halliburton's motion to dismiss the fourth amended complaint, and after the district court subsequently denied Halliburton's motion for reconsideration following this Court's ruling in *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308 (2007), Lead Plaintiff on September 17, 2007 filed a motion to certify a class of all persons and entities who purchased or otherwise acquired common stock of Halliburton during the class period—June 3, 1999 to December 7, 2001. On November 4, 2008, the district court denied the motion, finding that Lead Plaintiff failed to prove loss causation—a substantive element of a

securities fraud action[1]—by a preponderance of the evidence. Pet. App. 4a. The district court based its holding on the Fifth Circuit's decision in *Oscar*, 487 F.3d at 265, which held that plaintiffs must "establish loss causation in order to trigger the fraud-on-the-market presumption" of reliance. The district court said: "Absent this requirement, the Court would certify the class. However, having considered the parties' extensive briefing, oral argument, and the applicable law, the Court is of the opinion that Plaintiffs have not demonstrated loss causation as to any of their claims." Pet. App. 4a. The district court found requiring proof of loss causation imposes an "extremely high" bar but said it had to follow Fifth Circuit law. *Id.* at 7a ("This approach to loss causation imposes an exceedingly high burden on Plaintiffs at an early stage of the litigation . . . . This Court is bound to follow the Fifth Circuit's precedent, but notes that the bar is now extremely high for all plaintiffs seeking class certification in securities litigation.").

On an interlocutory appeal, the Fifth Circuit affirmed the denial of class certification. *Id.* at 122a. While the court did not endorse *Oscar*, it stated it was bound by the decision: "Plaintiff contends that our precedent, specifically the requirement of *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007), that class plaintiffs prove loss causation at the class certification stage, is contrary to Supreme Court and sister circuit precedent. Plaintiff may not assail

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[1] *Dura Pharm., Inc. v. Broudo*, 544 U.S. 336, 341-42 (2005).

Oscar as wrongly decided, as we are bound by the panel decision." *Id.* at 113a n.2.[2] Citing *Oscar*, the court held that plaintiff had to show an actual effect on the stock price. "In order to obtain class certification on its claims, Plaintiff was required to prove loss causation, i.e., that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in the losses." *Id.* at 113a; *see also id.* at 115a ("Plaintiff must show that an alleged misstatement 'actually moved the market.'"). This burden is justified because "the main concern when addressing the fraud-on-the-market presumption of reliance is whether allegedly false statements actually inflated the company's stock price." *Id.* at 116a.

The Fifth Circuit further held that in a case such as this one in which the plaintiff seeks to establish loss causation through the effect of a corrective disclosure on the stock price, "plaintiffs must prove the corrective disclosure shows the misleading or deceptive nature of the prior positive statements." *Id.* at 121a. Thus, "[w]hen confronted with allegedly false financial predictions and estimates [at class certification], the district court must decide whether the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud." *Id.* at 122a. The court explained, "the truth revealed by the corrective disclosure must show that the defendant more likely than not misled or deceived the market with earnings misstatements that

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[2] Certiorari was not sought in *Oscar*.

inflated the stock price and are actionable." *Id.* The Fifth Circuit affirmed the district court's ruling because it "conclude[d] that Plaintiff ha[d] failed to meet this court's requirements for proving loss causation at the class certification stage." *Id.* at 136a.[3]

B. The History of the Fifth Circuit's Requirement of Proof of Loss Causation at Class Certification

In *Oscar*, the Fifth Circuit announced a new and unprecedented requirement for plaintiffs seeking class certification in securities actions. The Fifth Circuit held that a named plaintiff must establish loss causation by "a preponderance of all admissible evidence" in order to benefit from the fraud-on-the-market presumption of reliance, *id.* at 269: "Essentially, we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption." *Id.* at 265 (footnotes omitted).

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[3] The Fifth Circuit held that Lead Plaintiff failed to establish loss causation as to defendants' statement regarding asbestos liability, Pet. App. 124a-29a, their accounting for revenue on unapproved claims, *id.* at 132a-36a, and their projections regarding the benefits of Halliburton's merger with Dresser, *id.* at 129a-32a. The sole basis for the court's ruling was its holding that Lead Plaintiff failed to establish loss causation, and the various, alleged deficiencies the court discussed all concern loss causation. For instance, the Fifth Circuit stated Lead Plaintiff failed to disaggregate the effect of culpable and non-culpable negative news, *see id.* at 134a ("failed to differentiate" impact of "non-culpable" news from "any allegedly culpable information"), but such disaggregation is only necessary to prove loss causation.

The Fifth Circuit claimed its holding was consistent with *Basic*, stating:

> We have observed that *Basic* "allows each of the circuits room to develop its own fraud-on-the-market rules." This court has used this room-in *Finkel*, *Abell*, *Nathenson*, and *Greenberg* to tighten the requirements for plaintiffs seeking a presumption of reliance. We now require more than proof of a material misstatement; we require proof that the misstatement actually moved the market.

Id. at 264-65. *Basic*, however, does not state that the courts of appeals are free to develop their own approach, and no circuit other than the Fifth Circuit has developed its own fraud-on-the-market rules.

In *Oscar*, the Fifth Circuit noted its concern regarding the "power of the fraud on the market doctrine," which, the court states, facilitates an "extraordinary aggregation of claims." *Id.* at 266-67. The court said it could not "ignore the *in terrorem* power of certification, continuing to abide the practice of withholding until 'trial' a merit inquiry central to the certification decision, and failing to insist upon a greater showing of loss causation to sustain certification." *Id.* at 267.[4]

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[4] At oral argument in this case, Judge Reavley, author of the court's *AMS Fund* opinion, said to plaintiff's counsel: "You understand how class certifications are unpopular with this Circuit?" In a subsequent exchange, Judge Reavley said: "Well, we did away with Rule 23 virtually." Transcript of Oral Argument, *available at* http://www.ca5.uscourts.gov/

Doctrinally, the court explained its requirement that plaintiffs must establish loss causation at class certification this way:

> The assumption that every material misrepresentation will move a stock in an efficient market is unfounded, at least as market efficiency is presently measured. There are two additional explanations, besides immateriality, for why a misrepresentation might fail to effect the stock price, both relevant to classwide reliance. First, it might be that even though the market for the defendant's shares has been demonstrated efficient by the usual indicia, the market is actually inefficient with respect to the particular type of information conveyed by the material misrepresentation, *i.e.* analysts and market makers do poorly at digesting line-count information. Thus our approach gives effect to information-type inefficiencies, recognizing that "the market price of a security will not be uniformly efficient as to all types of information." A second possible explanation for a misrepresentation's failure to move the market is that the market was strong-form efficient with respect to that type of information, i.e., due to insider trading, the restated line count was reflected by the stock price well before the 4Q01

OralArgRecordings/08/08-11195_12-1-2009.wma, at 1:58 and 2:17.

> corrective disclosure. Both explanations resist application of the semi-strong efficient-market hypothesis, the theory on which the presumption of classwide reliance depends. This court honors both theory and precedent in requiring plaintiffs to demonstrate loss causation before triggering the presumption of reliance.

Id. at 269-70. The court cited no evidence that the relevant market in that case was inefficient or strong-form efficient. Based on a theoretical possibility of a limitation on the efficient market doctrine, the Fifth Circuit radically altered the requirements for invoking the fraud-on-the-market presumption. Instead of stating that a defendant could rebut the presumption by presenting evidence that the market in question was inefficient or strong-form efficient, the court required plaintiffs to establish loss causation, an element of a securities action that is distinct from reliance (or the efficiency of the market) and therefore does not impact the fraud-on-the-market analysis.

The court found that loss causation could be demonstrated at class certification because "[l]ittle discovery from defendants is demanded by the fraud-on-the-market regimen. Its 'proof' is drawn from public data and public filings . . . ." *Id.* at 267. The standard enunciated in *Oscar* turned on whether the corrective disclosure was "related" to the prior misstatement. *Id.* at 266 (To establish loss causation, a plaintiff must prove "(1) that the negative 'truthful' information causing the decrease in price [was] related to an allegedly false, non-

confirmatory positive statement made earlier and (2) that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline." (quoting *Greenberg v. Crossroad Sys., Inc.*, 364 F.3d 657, 666 (5th Cir. 2004))).

In the *AMS Fund* case, the Fifth Circuit imposed a much stiffer standard, holding that "plaintiffs must prove the corrective disclosure shows *the misleading or deceptive nature of the prior positive statements*" and that "the corrective disclosure more probably than not shows that the original estimates or predictions were *designed to defraud*." Pet. App. 121a-22a (emphasis added). The Fifth Circuit failed to explain how it is possible for plaintiffs—without merits discovery—to make by such an evidentiary showing, which effectively requires proof of scienter.[5]

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[5] In *Alaska Electrical Pension Fund v. Flowserve Corp.*, 572 F.3d 221 (5th Cir. 2009), the court addressed "the definition of relevant corrective information for purposes of assessing loss causation." *Id.* The opinion was authored by Justice O'Connor, sitting by designation pursuant to 28 U.S.C. § 294(a). The correctness of *Oscar*'s holding was not before the court and in any event, the panel was bound by *Oscar*. The court rejected the contention that "a fraud causes a loss only if the loss follows a corrective statement that specifically reveals the fraud." *Id.* at 230. The *AMS Fund* decision, handed down after *Alaska Electrical Pension Fund*, set a considerably more demanding test.

REASONS FOR GRANTING THE PETITION

A. This Court Should Grant Certiorari Because the Fifth Circuit's Holding in *AMS Fund* Directly Conflicts with the Second Circuit and Lower Courts in Seven Other Circuits, Conflicts with the Principles of *Basic v. Levinson*, and Sets an Extremely High and Erroneous Standard

The Fifth Circuit's holding improperly imposes a substantial and unprecedented burden on plaintiffs—demonstrating loss causation at class certification. The Fifth Circuit's holding has been squarely rejected by the Second Circuit and by district courts in seven other circuits as a misreading of *Basic*. The Fifth Circuit's holding, which establishes an exceedingly high bar and in *AMS Fund*, a virtually unattainable bar, further conflicts with the principles of *Basic* by eviscerating *Basic*'s rebuttable presumption of reliance in favor of plaintiffs who demonstrate that the stock in question trades on an efficient market.

i. This Court Should Grant Certiorari to Resolve a Circuit Split Between the Second and Fifth Circuits and to Provide Guidance for the District Courts in Other Circuits that Have Repeatedly Had to Address the Correctness of the Fifth Circuit's Holding

In *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474 (2d Cir. 2008), the Second Circuit held that plaintiffs in securities class actions need not show that an alleged misrepresentation actually moved the market in order to invoke the fraud-on-the-market presumption. *Id.* at 483 ("[P]laintiffs do not bear the burden of showing an impact on price."). This holding directly conflicts with the holding in *AMS Fund* where the court declared: "Plaintiff must show that an alleged misstatement 'actually moved the market.' Thus, 'we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption.'" Pet. App. 115a (quoting *Oscar*, 487 F.3d at 265); *see In re Am. Int'l Group, Inc. Sec. Litig.*, 265 F.R.D. 157, 181 (S.D.N.Y. 2010) (*Salomon* expressly rejects *Oscar*); *In re Boston Scientific Corp. Sec. Litig.*, 604 F. Supp.2d 275, 285-86 (D. Mass. 2009) (same).

In *Salomon*, the Second Circuit addressed "whether plaintiffs alleging securities fraud against analysts must make a heightened evidentiary showing in order to benefit from the fraud-on-the-market presumption of *Basic Inc. v. Levinson*." 544 F.3d at 476. Defendants argued that "the district court erred by not placing the burden on plaintiffs to prove that the alleged misrepresentations 'moved the market,' i.e., had a measurable effect on the stock price." *Id.* at 482. Defendants also argued that the concept of 'materiality' in *Basic*, which plaintiffs much demonstrate for the fraud-on-the-market presumption to apply, refers to a 'material affect on the market price.'" *Id.*

The court rejected defendants' argument as "a misreading of *Basic*," *id.* at 482, and held that the requirements outlined in *Basic* are "all that is needed to warrant the presumption," *id.* at 481. According to the court, "[t]he point of *Basic* is that an effect on market price is *presumed* based on the materiality of the information and a well-developed market's ability to readily incorporate that information into the price of securities." *Id.* Thus, "the burden of showing that there was no price impact is properly placed on defendants at the rebuttal stage." *Id.*[6] If plaintiffs need not establish loss causation at class certification against third parties such as analysts, *a fortiori* they do not have to make such a showing against a company or its executives.[7]

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[6] The *Salomon* court added that "[t]he law guards against a flood of frivolous or vexatious lawsuits against third-party speakers because," among other things, "defendants are allowed to rebut the presumption, prior to class certification, by showing, for example, the absence of a price impact." *Id.* at 484. The court remanded the case so defendants could present their rebuttal arguments. *Id.* at 485-86 (citing *Oscar*, 487 F.3d at 270). Unlike in the Fifth Circuit, the burden of *disproving* price impact at class certification would be on *defendants*.

[7] In *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29, 39 (2d Cir. 2009), decided after *Salomon*, the court was asked "to reject the approach taken by the Fifth Circuit Court of Appeals in *Oscar* . . . ." Without mentioning *Salomon*, the court held that issue was not properly before it, but cited approvingly the district court cases in the Second Circuit rejecting *Oscar*. *Id.* at 39. The court noted those cases analyzed "proof of loss causation in the context of the Rule 23(b)(3) predominance requirement" and said "the cases cited from this Circuit represent the position that a plaintiff is entitled to a presumption of reliance at the certification stage" under the fraud-on-the-market presumption in *Basic* without

The Fifth Circuit's requirement is also in considerable tension with the principles of the other circuits because those courts do not require proof of loss causation to invoke the fraud-on-the-market presumption. *See, e.g., In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 7 (1st Cir. 2005) ("Before an investor can be presumed to have relied upon the integrity of the market price, . . . the market must be 'efficient'."); *Binder v. Gillespie*, 184 F.3d 1059, 1064 (9th Cir. 1999) ("[T]he presumption of reliance is available only when a plaintiff alleges that a defendant made material representations or omissions concerning a security that is actively traded in an 'efficient market,' thereby establishing a 'fraud on the market.'"); *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1419 n.8 (3d Cir. 1997) ("[I]n order to avail themselves of the fraud on the market theory . . . plaintiffs have to allege that the stock in question traded on an open and efficient market.").

Moreover, every district court outside of the Fifth Circuit that has expressly addressed the holding in *Oscar* has declined to adopt it.[8] *Oscar* has

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demonstrating loss causation, "an issue that is not before us here." *Id.*

[8] The only possible exception is no longer good law. *In re Credit Suisse First Boston Corp. (Lantronix, Inc.) Analyst Sec. Litig.*, 250 F.R.D. 137 (S.D.N.Y. 2008), has been referenced by a few courts as implicitly adopting *Oscar*. *See, e.g., In re Alstom SA Sec. Litig.*, 253 F.R.D. 266, 281 (S.D.N.Y. 2008); *Lapin v. Goldman Sachs & Co.*, 254 F.R.D. 168, 185 (S.D.N.Y. 2008). The *Lantronix* opinion was issued prior to the Second Circuit's

already been rejected, disagreed with, distinguished, or not followed by district courts in the First,[9] Second,[10] Fourth,[11] Sixth,[12] Seventh,[13] Ninth,[14]

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opinion in *Salomon*, 544 F.3d 474, and, insofar as it conflicts with *Salomon*, is no longer good law.

[9] *See, e.g., In re Boston Scientific*, 604 F. Supp.2d at 287 (proof of loss causation is "more properly addressed on summary judgment or at trial"); *In re Credit Suisse-AOL Sec. Litig.*, 253 F.R.D. 17, 30 (D. Mass. 2008) ("Defendants' arguments regarding market impact . . . do not address the purposes of Rule 23. To engage with them here would drag the Court into an unwieldy trial on the merits.") (citations and quotations omitted).

[10] *See, e.g., Darquea v. Jarden Corp.*, No. 06 Civ. 722(CLB), 2008 WL 622811, at *4 (S.D.N.Y. Mar. 6, 2008) (*Oscar* "is limited to the Fifth Circuit."). *Wagner v. Barrick Gold Corp.*, 251 F.R.D. 112, 118-19 (S.D.N.Y. 2008) (to trigger the fraud-on-the-market presumption, plaintiffs need not prove loss causation at the class certification stage); *In re Omnicom Group, Inc. Sec. Litig.*, No. 02 Civ. 4483(RCC), 2007 WL 1280640, at *8 (S.D.N.Y. Apr. 30, 2007) (rejecting loss causation challenge to predominance as "an attempt to litigate class certification on the merits of the action").

[11] *See, e.g., In re The Mills Corp. Sec. Litig.*, 257 F.R.D. 101, 108 (E.D. Va. 2009) ("[R]equiring a factual showing of loss causation at class certification would be—to borrow a cliché—putting the cart before the horse."); *In re Red Hat, Inc. Sec. Litig.*, 261 F.R.D. 83, 93-94 (E.D.N.C. 2009) ("This court joins those courts and declines to add another element to the plaintiff's burden of establishing the fraud-on-the-market presumption.").

[12] *See, e.g., Ross v. Abercrombie & Fitch Co.*, 257 F.R.D. 435, 454 (S.D. Ohio 2009) ("Defendants contend that the Court must determine loss causation at [class certification] in order to decide if Plaintiff can rely on the fraud on the market theory to satisfy the predominance requirement. The Court disagrees." (citation omitted)).

Tenth,[15] and Eleventh[16] circuits. *See, e.g., Conn. Ret. Plans & Trust Funds v. Amgen, Inc.*, No. CV 07-2536 PSG (PLAx), 2009 WL 2633743, at *11 (C.D. Cal. Aug. 12, 2009) (*Oscar's* "interpretation is actually contradicted by *Basic*".); *In re HealthSouth Corp. Sec. Litig.*, 257 F.R.D. 260, 283 (N.D. Ala. 2009) ("[T]he *Oscar* case has never been followed in the Eleventh Circuit and this court will not be the first to adopt it."); *Schleicher*, 2009 WL 761157, at *12 ("*Oscar Private Equity* runs contrary to Supreme Court and Seventh Circuit precedents that are controlling for this court."); *Lapin*, 254 F.R.D. at 186 ("*Oscar* should be rejected as a misreading of *Basic*."). The numerous lower court opinions concerning the Fifth Circuit rule show that this issue

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[13] *See, e.g., Schleicher v. Wendt*, No. 1:02-cv-1332-DFH-TAB, 2009 WL 761157, at *11-12 (S.D. Ind. Mar. 20, 2009).

[14] *See, e.g., In re LDK Solar Sec. Litig.*, 255 F.R.D. 519, 530-31 (N.D. Cal. 2009) (*Oscar* "is in no small amount of tension with the Supreme Court's decision in *Basic v. Levinson*."); *In re Micron Techs., Inc. Sec. Litig.*, 247 F.R.D. 627, 634 (D. Idaho 2007) ("It is unlikely that [*Oscar*] would be adopted in this Circuit because it misreads *Basic*.").

[15] *See, e.g., In re Nature's Sunshine Prod's. Inc. Sec. Litig.*, 251 F.R.D. 656, 665 (D. Utah 2008) ("Oscar appears to be in conflict with Supreme Court and Tenth Circuit precedent which warn against determining the merits at the class certification stage.").

[16] *See, e.g., In re Netbank, Inc. Sec. Litig.*, 259 F.R.D. 656, 676 n.14 (N.D. Ga. 2009) (declining to be first court in Eleventh Circuit to follow *Oscar*).

has percolated throughout the lower courts and is ripe for, and in need of, review by this Court.[17]

ii. This Court Should Grant Certiorari to Resolve the Conflict Between the Fifth Circuit's Holding and the Principles of *Basic*

The Fifth Circuit holding in *AMS Fund* (and *Oscar* conflicts with this Court's ruling in *Basic* in several ways. That is why other courts have described *Oscar* as inconsistent with *Basic* and declined to follow it.

a. The Fifth Circuit's Holding Improperly Imposes an Additional Requirement Beyond Those Established by This Court in *Basic* for Plaintiffs Who Seek to Invoke

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[17] The fact that this case reached the Fifth Circuit on an interlocutory appeal under Fed. R. Civ. P. 23(f) does not weigh against granting the petition. It is not premature to hear an appeal in this case, which has been stayed virtually since the district court denied class certification. *See* Pet. App. 1a, 109a, 137a, 139a. The parties agree that denial of class certification is, as a practical matter, likely dispositive of this action. *Compare id.* at 77a-78a *with id* at 105a-06a. Moreover, the key issue presented by this petition – whether loss causation must be demonstrated at class certification – is a purely legal one. Finally, the district court could not alter its ruling even if it wished insofar as the Fifth Circuit has affirmed its order denying class certification.

the Fraud-on-the-Market Presumption

In *Basic*, this Court adopted the fraud-on-the-market theory, holding that courts may presume class-wide reliance provided plaintiffs establish that the stock in question trades on an efficient market and that they bought or sold the stock during the relevant interval. 485 U.S. at 248. The Court adopted the test used by the Sixth Circuit, which required a plaintiff to allege and prove:

> (1) that the defendant made public misrepresentations; (2) that the misrepresentations were material; (3) that the shares were traded on an efficient market; (4) that the misrepresentations would induce a reasonable, relying investor to misjudge the value of the shares; and (5) that the plaintiff traded the shares between the time the misrepresentations were made and the time the truth was revealed.

Id. at 248 n.27.[18] Plaintiffs who satisfied those requirements were entitled to invoke the fraud-on-the-market presumption.

The Fifth Circuit's holding improperly conflates the fraud-on-the-market presumption—a presumption that establishes reliance on a class-wide basis—with the requirements for establishing

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[18] The Court held that given its decision "regarding the definition of materiality . . . elements (2) and (4) may collapse into one." *Id.*

loss causation, *i.e.*, proximate cause. In so doing, the Fifth Circuit imposes a substantial burden beyond that required by *Basic*, and in violation of *Basic*. *See Oscar*, 487 F.3d at 278 (Dennis, J., dissenting) ("In essence, the majority's revised standard both incorrectly deprives plaintiffs of the benefit of the fraud-on-the-market presumption of reliance afforded them by *Basic* and inexplicably requires them to prove the separate element of loss causation at the class certification stage."). The Fifth Circuit ruling also conflicts with this Court's decision in *Stoneridge Investment Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 761 (2008), where the Court cited approvingly the *Basic* test when facing the issue of whether the fraud-on-the-market presumption applied to the conduct of non-issuers without indicating plaintiffs also had to demonstrate loss causation to invoke the presumption. 552 U.S. at 159 ("[U]nder the fraud-on-the-market doctrine, reliance is presumed when the statements at issue become public" because "public information is reflected in the market price of the security."). While the Court ultimately concluded that the presumption did not apply, it did so because defendants' "deceptive acts were not communicated to the public," as required by *Basic*. *Id.*

The Fifth Circuit's requirement that plaintiffs must establish loss causation is flawed because whether plaintiffs can establish proximate cause (loss causation) is analytically distinct from whether they can establish reliance, based on the integrity of

the market price.[19] Although the fraud-on-the-market presumption and loss causation are linked in some ways at a general conceptual level—both concern causation (one transaction causation and the other proximate causation)—they are nonetheless separate and distinct requirements of a securities fraud claim. *See Dura Pharms., Inc.*, 544 U.S. at 341-42.

The Fifth Circuit's approach is further flawed because whether a particular misstatement moved the stock price has no bearing on class certification since that question will necessarily be common to all members of the proposed class, provided the fraud-on-the-market presumption applies. In such instances, loss causation will either exist for the whole class, or for no one. The sole purpose for the fraud on the market presumption is to enable courts "to conclude that common questions of fact or law predominate[ ] over particular questions pertaining to individual plaintiffs." *See Basic*, 485 U.S. at 228. Tellingly, the Fifth Circuit does not contend in *AMS Fund* that either loss causation or reliance requires an individual class-member-by-class-member inquiry and so cannot be established through common evidence.

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[19] Loss causation is not relevant to establish materiality because materiality depends on whether there is "[a] substantial likelihood that" the false or misleading statement "would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." *Basic*, 485 U.S. at 231-32.

AMS Fund is not the first Fifth Circuit case to conflate loss causation and the fraud-on-the-market theory of reliance. Rather, *AMS Fund* relies on *Oscar*, which, in turn, relies on two earlier Fifth Circuit cases, *Nathenson v. Zonagen, Inc.*, 267 F.3d 400 (5th Cir. 2001), and *Greenberg v. Crossroads Systems, Inc.*, 364 F.3d 657, 661 (5th Cir. 2004). In *Nathenson*, the court held that "in cases depending on the fraud-on-the-market theory, . . . the complained of misrepresentation or omission [must] have actually affected the market price of the stock." 267 F.3d at 415. *Nathenson* was decided on a motion to dismiss, and since the court found that the complaint itself demonstrated that the alleged misstatements did not affect the market price of the stock, the Fifth Circuit affirmed the trial court's dismissal of the complaint. *Id.* at 426. The court's conflation of the fraud-on-the-market theory and loss causation was harmless because the plaintiff had to plead both to survive a motion to dismiss. Here, of course, Lead Plaintiff has already prevailed on a motion to dismiss.

Similarly, in *Greenberg*, the Fifth Circuit held that:

> plaintiffs cannot trigger the presumption of reliance by simply offering evidence of any decrease in price following the release of negative information. Such evidence does not raise an inference that the stock's price was actually affected by an earlier release of positive information. To raise an inference through a decline in stock price that an earlier false, positive statement actually

> affected a stock's price, the plaintiffs must show that the false statement causing the increase was related to the statement causing the decrease.

364 F.3d at 665. *Greenberg* was decided at summary judgment. Thus, while *Greenberg* requires showing loss causation to establish the presumption of reliance, the error is again harmless because at summary judgment, the plaintiffs had to make a prima facie case of reliance and loss causation sufficient to raise a triable issue of fact.

The Fifth Circuit's error here is not harmless. By requiring proof of loss causation, without merits discovery and with a higher required standard of proof than at summary judgment (preponderance of the evidence compared to a prima facie case), the Fifth Circuit has imposed an exceedingly stiff burden on plaintiffs at a point in the litigation where the burden is particularly not appropriate. The court in *AMS Fund* sought to justify this increased burden, saying: "[T]he main concern when addressing the fraud-on-the-market presumption of reliance is whether allegedly false statements actually inflated the company's stock price." Pet. App. 116a. But that is a question of loss causation, not fraud on the market. For the latter, the question is whether the stock incorporates material information, not how that information affects the stock price. In imposing such a requirement, the Fifth Circuit ensures that in some meritorious class actions, courts will improperly deny class certification because some plaintiffs will be unable to establish loss causation without merits discovery.

This is especially true where the court requires a corrective disclosure that "more probably than not shows that the original estimates or predictions were designed to defraud." *Id.* at 122a. As this Court recently explained in determining whether a securities fraud complaint was timely filed, evidence that a defendant acted with scienter is quite different from evidence that the defendant made a false statement, and so may require additional discovery:

> We recognize that certain statements are such that, to show them false is normally to show scienter as well. It is unlikely, for example, that someone would falsely say "I am not married" without being aware of the fact that his statement is false. Where § 10(b) is at issue, however, the relation of factual falsity and state of mind is more context specific. An incorrect prediction about a firm's future earnings, by itself, does not automatically tell us whether the speaker deliberately lied or just made an innocent (and therefore nonactionable) error. Hence, the statute may require "discovery" of scienter-related facts beyond the facts that show a statement (or omission) to be materially false or misleading.

Merck & Co, Inc. v. Reynolds, No. 08-905, 2010 WL 1655827, at *13 (Apr. 27, 2010). The Fifth Circuit fails to explain how plaintiffs at class certification, without merits discovery, can provide proof of scienter—*e.g.*, that defendants' "estimates or

predictions were designed to defraud"—other than in the exceedingly rare case where defendant makes a confession. *See* Pet. App. 122a. Needless to say, such confessions will likely be rare because company executives always have an incentive to put the best spin on the news and to avoid criticizing their own prior conduct.

The impact of such a requirement is readily apparent in this case. For instance, the Fifth Circuit held that Halliburton's June 28, 2001 announcement that Dresser Industries' former subsidiary, Harbison-Walker Refractories Company, had sought financial assistance to pay its pending asbestos claims was not a corrective disclosure because the June 28, 2001 announcement did not indicate that Halliburton *knew* of Harbison-Walker's financial difficulties prior to the announcement. *Id.* at 125a-27a. It did not matter that the Lead Plaintiff had alleged in the complaint that Defendants knew throughout the class period that Harbison-Walker would need Halliburton's financial assistance to pay its own asbestos claims. *See* USCA5 4575. Thus, absent a confession by Halliburton, the only way to "prove" the June 28, 2001 corrective disclosure "shows the misleading or deceptive nature" of Halliburton's prior announcements would be to establish that Halliburton knew but failed to disclose prior to June 28, 2001 that it would ultimately bear financial responsibility for claims against Harbison-Walker. It is not possible for plaintiff to do that without merits discovery.[20]

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[20] In *AMS Fund*, the Fifth Circuit said in a footnote, "We recognize that a plaintiff need not prove at the class

b. The Fifth Circuit's Holding Improperly Shifts the Burden of Proof for the Fraud-on-the-Market Presumption Established in *Basic*

In *Basic*, this Court articulated several reasons for its adoption of the fraud-on-the-market presumption. First, the Court held that presumptions are useful when "direct proof" is "difficult", adding that "[r]equiring a plaintiff to show a speculative state of facts, *i.e.*, how he would have acted if omitted material information had been disclosed, or if the misrepresentation had not been made, would place an unnecessarily unrealistic evidentiary burden on the Rule 10b-5 plaintiff who has traded on an impersonal market." *Id.* at 245 (citations omitted). Second, the Court found presumptions are useful "for allocating the burdens of proof between parties" and explained that the presumption furthered Congress's intent in enacting the 1934 Act: "The presumption of reliance employed in this case is consistent with, and, by facilitating rule 10b-5 litigation, supports, the congressional policy embodied in the 1934 Act. In

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certification stage intentional fraud by the defendant." Pet. App. 123a n.35. But in concluding that the Lead Plaintiff had not established loss causation, the court effectively required Lead Plaintiff to prove scienter. *See, e.g., id.* at 126a (did not show "prior reserve estimates were intentionally misleading"); *id.* at 126a-27a ("no indication [prior estimates] were misleading or deceptive"; *id.* at 129a ("undermines any conclusion . . . the company acted with deception"); *id* at 132a ("Plaintiff fails to show these announcements . . . revealed deceptive practices in Halliburton's accounting assumptions.").

drafting that Act, Congress expressly relied on the premise that securities markets are affected by information, and enacted legislation to facilitate an investor's reliance on the integrity of those markets." *Id.* at 245-46. Third, the Court said that the presumption is "supported by common sense and probability", noting that "[r]ecent empirical studies have tended to confirm Congress' premise that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations." *Id.* at 246.

The Fifth Circuit's requirement of proof of loss causation is inconsistent with—and undermines—not only the presumption that the Court adopted, but also its stated reasons for doing so. First, while the Court adopted the presumption to ease an "unrealistic evidentiary burden," *id.* at 245, the Fifth Circuit has imposed an additional and stiff evidentiary burden. Moreover, this newly imposed burden is unrelated to the burden at issue in *Basic*—requiring a plaintiff to show "how he would have acted had the material information been disclosed," *id.*—and so is improper. The Fifth Circuit's rule is also inconsistent with the Court's second stated reason for the presumption—congressional policy as embodied in the 1934 Act—because it imposes an additional and unnecessary hurdle before an investor may successfully bring a 10b-5 class action in reliance on the integrity of the market. Finally, the Fifth Circuit's requirement is inconsistent with the Court's third reason because proof or absence of loss causation neither confirms nor negates the presumption that "the market price of shares traded

on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations." *Id.* at 246.

The Fifth Circuit's reasoning is further at odds with this Court's reasoning. The Fifth Circuit was concerned about a theoretical possibility that the market for a given security might be inefficient or strong-form efficient with respect to a particular type of information, but this Court, as the Second Circuit declared, "stated that the presumption was justified, not by scientific certainty, but by considerations of fairness, probability, judicial economy, congressional policy, and common sense." *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 483 (2d Cir. 2008).

The Fifth Circuit's holding turns the presumption in *Basic* from something meant to *assist* a plaintiff into a nearly unscalable hurdle to class certification. While the Fifth Circuit attempted to anticipate and respond to the argument that it was improperly negating the presumption established by *Basic*, the court's logic is fundamentally unsound. The *Oscar* court held that it was not "improperly shift[ing] the burden, from a defendant's right of rebuttal to a plaintiff's burden of proof" because, "[a]s a matter of practice, the oft-chosen defensive move is to make '*any* showing that severs the link' between the misrepresentation and the plaintiff's loss; to do so rebuts on arrival the plaintiff's fraud-on-the-market theory." 487 F.3d at 265. The court quoted language specifying that the fraud-on-the-market presumption is rebuttable, *see*

Basic, 485 U.S. at 248, but the court's reliance on this language is flawed.

First, even if *Basic*'s presumption were a bubble bursting one—that is, if it dissolves in the face of any contrary evidence[21]— defendants still bear the initial burden of presenting contrary evidence. By requiring plaintiffs to prove loss causation without first requiring evidence from defendants to rebut the presumption, the Fifth Circuit has improperly lifted that burden. Second, the presumption is not a bubble bursting one but can be rebutted only by evidence that "severs" the basis for the presumption.[22] Third, a key footnote in *Basic* indicates the proper timing for any rebuttal is at trial, stating "[p]roof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate." *Id.* at 248 n.29; *see In re PolyMedica Corp. Securities Litigation*, 432 F.3d 1, 7 n. 10 (1st Cir. 2005) ("defendant may still rebut this presumption at trial"); *Conn. Ret. Plans & Trust Funds v. Amgen, Inc.*, No. CV 07-2536 PSG (PLAx),

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[21] *See United States v. Zavala*, 443 F.3d 1165, 1169 (9th Cir. 2006); BLACK'S LAW DICTIONARY 211 (8th ed. 2004) ("bursting bubble theory" as "[t]he principle that a presumption disappears once the presumed facts have been contradicted by credible evidence").

[22] *Basic* show the presumption is not a bubble bursting one: "*Any showing that severs the link* between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price, *will be sufficient to rebut the presumption of reliance.*" 485 U.S. at 248 (emphasis added).

2009 WL 2633743, at *12 (C.D. Cal. Aug. 12, 2009) ("While defendants are entitled to rebut that presumption, that issue is appropriate for resolution only after discovery."); *In re Micron Techs., Inc. Sec. Litig.*, 247 F.R.D. 627, 634 (D. Idaho 2007) (same).

Fourth, even if rebuttable at class certification, the presumption can be rebutted only by evidence that the stock does not trade in an efficient market or that the plaintiff did not rely on the price of the stock. The examples provided by the Court in *Basic* all concern a showing that the information at issue was already known to the market[23] or that the plaintiff did not rely upon the market price.[24] None of the Court's examples indicate a plaintiff must demonstrate loss causation to invoke the fraud-on-the-market presumption of

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[23] The Court gave two examples to illustrate that possibility: (1) "if petitioners could show that the 'market makers' were privy to the truth about the merger discussions here with Combustion, and thus that the market price would not have been affected by their misrepresentations," or (2) "if, despite petitioners' allegedly fraudulent attempt to manipulate market price, news of the merger discussions credibly entered the market and dissipated the effects of the misstatements." 485 U.S. at 248-249.

[24] The Court illustrated that possibility with the following examples: "a plaintiff who believed that Basic's statements were false and that Basic was indeed engaged in merger discussions, and who consequently believed that Basic stock was artificially underpriced, but sold his shares nevertheless because of other unrelated concerns, e.g., potential antitrust problems, or political pressures to divest from shares of certain businesses, could not be said to have relied on the integrity of a price he knew had been manipulated." 485 U.S. at 249.

reliance, and it would be surprising if that were the case, because reliance and loss causation are distinct elements of a 10b-5 cause of action. *See Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 341-42 (2005).[25] The Fifth Circuit, however, erroneously and enormously expanded the type of information relevant to determining whether the presumption has been established or rebutted. In *AMS Fund*, for instance, the Fifth Circuit held that in the case of simultaneously released culpable and non-culpable news, plaintiffs bear the burden of disaggregating the effect of those respective disclosures and showing that the culpable disclosure had a substantial effect on the stock price. Pet. App. 117a-18a.[26] While that requirement is appropriate for establishing loss causation, it has no bearing on whether the market is efficient and so whether the fraud-on-the-market presumption should apply.

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[25] The requirement for loss causation is codified in the PSLRA. *See* 15 U.S.C. § 78u-4(b)(4).

[26] By requiring plaintiffs to make this showing at class certification, the Fifth Circuit incents unscrupulous defendants to release culpable negative news on the same day as significant non-culpable negative news, rendering it difficult for plaintiffs to disaggregate the effects of negative news. "Such a loophole thwarts the legislative purpose of full disclosure by allowing corporations a way to escape legal accountability for inaccurate statements and material omissions." Tad E. Thompson, Recent Development, *Messin' with Texas: How the Fifth Circuit's Decision in Oscar Private Equity Misinterprets the Fraud-On-the-Market Theory*, 86 N.C.L. REV. 1086, 1096 (2008).

iii. The Issue Is Important, Ripe, and Recurring and the Fifth Circuit's Standard Is Wrong

This Court's decision in *Basic* establishes the fraud on the market theory of reliance. The Fifth Circuit's erroneous distortion of *Basic* affects all securities fraud class action cases in the Fifth Circuit and will continue to repeatedly arise in cases outside the Fifth Circuit as defendants seek to invoke the Fifth Circuit rule regarding loss causation as a basis for opposing class certification. Not only is this a recurring issue, it is also an important one because the Fifth Circuit's loss causation rule, especially as set forth in *AMS Fund*, is likely to largely negate private security class actions in the Fifth Circuit in contravention of federal policy that relies on private actions to help ensure adequate enforcement of the securities laws. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007) ("This Court has long recognized that meritorious private actions to enforce federal antifraud securities laws are an essential supplement to criminal prosecutions and civil enforcement actions brought, respectively, by the Department of Justice and the Securities and Exchange Commission (SEC)."); *Dura Pharms.*, 544 U.S. at 345 ("The securities statutes seek to maintain public confidence in the marketplace. They do so by deterring fraud, in part, through the availability of private securities fraud actions." (citation omitted)). This development, rendering private securities litigation in the Fifth Circuit a near nullity, is especially troubling because the recent market crisis underscores the importance of

having private security actions complement sometimes inconsistent governmental actions to enforce the securities laws. [27]

The decision in *AMS* Fund is also troubling because it will lead to erroneous decisions *not* to certify a class in cases where, with full discovery, plaintiffs *would* be able to establish loss causation. *See supra* pp. 23-25.

B. This Court Should Resolve the Conflict Between the Requirements for Class Certification Under Federal Rule of Civil Procedure 23 and *Eisen* on the One Hand and the Fifth Circuit Rule on the Other Hand

Under Federal Rule of Civil Procedure 23(a), plaintiffs must demonstrate that they satisfy the prerequisites for class certification—numerosity, commonality, typicality and adequacy. Plaintiffs must also satisfy one of the requirements of FED. R. CIV. P. 23(b). In damage actions, plaintiffs must

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[27] As one commentator stated:

> The result of an opinion like *Oscar*, which significantly raised the bar for class certification, will effectively eliminate any potential for recovery for those investors whose stake in the corporation was insubstantial. Such an outcome stands contrary to one of the principal justifications for class action litigation—enabling suits where the individual class members cannot maintain actions individually—and is detrimental to public policy.

Thompson, *supra* note 26, at 1101 (footnotes omitted).

demonstrate that "questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Pet. App. 142a. Provided these requirements are met, the class should be certified.

In the Fifth Circuit alone, plaintiffs must satisfy an additional requirement; they must also demonstrate loss causation. That additional requirement violates Rule 23, which is binding on all federal courts. *Cf. Stone Container Corp. v. United States*, 229 F.3d 1345, 1354 (Fed. Cir. 2000) ("Because '[a]ll laws in conflict with [the Federal Rules of Civil Procedure] shall be of no further force or effect after such rules have taken effect,' 28 U.S.C. § 2072(b), the Federal Rules of Civil Procedure, like the Federal Rules of Criminal procedure [sic], are 'as binding as any federal statute.'"). In imposing an added requirement that the Fifth Circuit admits entails a "merit inquiry," *Oscar*, 487 F.3d at 267, the Fifth Circuit ruling also conflicts with the principles of *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 177 (1974), where the Court declared: "We find nothing in either the language or history of Rule 23 that gives a court any authority to conduct a preliminary inquiry into the merits of a suit in order to determine whether it may be maintained as a class action."

The Fifth Circuit claims that determining whether plaintiffs have demonstrated loss causation by a preponderance of the admissible evidence is "a merit inquiry central to the certification decision,"

Oscar, 487 F.3d at 267, but the court fails to justify its holding. If demonstrating loss causation is indeed "central to the certification decision," *id.*, it is curious that no court other than the Fifth Circuit, including this Court in *Basic* and *Stoneridge*, has had the acumen to detect that linkage. Numerous courts embraced a form of the fraud-on-the-market presumption before it was adopted by this Court in *Basic*, but none held that it was necessary to establish loss causation in order to invoke it. Nor has any court outside the Fifth Circuit so held since the Court issued its ruling in *Basic* over twenty years ago or after this Court's ruling in *Dura* in 2005. In fact, the Fifth Circuit itself analyzed the requisite showing necessary to trigger the fraud on the market presumption following this Court's decision in *Dura*, and its holding did not require proof of loss causation. *See, e.g., Bell v. Ascendent Solutions, Inc.*, 422 F.3d 307, 311-12 (5th Cir. 2005) (plaintiffs seeking to take advantage of the presumption of class-wide reliance permitted under the fraud-on-the-market theory must make a preliminary showing of market efficiency at class certification).[28] And, of course, no court outside the Fifth Circuit has chosen to follow *Oscar*.

The Fifth Circuit's current requirement that plaintiffs establish loss causation conflicts with

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[28] The *Oscar* Court attempts to justify its holding in part by citing the 2003 change in Rule 23, which required the determination whether to certify a class to be made "at an early practicable time," instead of "as soon as practicable." *See Oscar*, 487 F.3d at 267. That change does not justify imposing a burden not inherent in a proper analysis under Rule 23.

Eisen and Federal Rule of Civil Procedure 23 because demonstrating loss causation is not necessary for class certification, as demonstrated by the uniform practice of all federal courts outside the Fifth Circuit. While *Eisen* was initially misconstrued to prohibit delving into the merits of the underlying claims at class certification under any circumstances, courts have since properly interpreted *Eisen* to prohibit examination of the merits of the underlying claim except insofar as necessary to determine whether the prerequisites for certification under Rule 23 have been met. *See Dukes v. Wal-Mart Stores, Inc.*, Nos. 04-16688, 04-16720, 2010 WL 1644259, at * 9 n.7 (9th Cir. Apr. 26, 2010) (en banc); *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 316-317 (3d Cir. 2008); *In re Initial Public Sec. Offerings Litig.*, 471 F.3d 24, 41 (2d Cir. 2006); *see also* FED. R. CIV. P. 23(c)(1)(A) advisory committee's note (2003 amendments) ("an evaluation of the probable outcome on the merits is not properly part of the certification decision").[29]

Yet, in *AMS Fund* (and *Oscar*), the Fifth Circuit has done precisely what *Eisen* and Rule 23 prohibit—entering into a "merit inquiry" unrelated to the requirements of Rule 23—which effectively

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[29] Several appellate courts hold that plaintiff must establish the prerequisites for class certification by as preponderance of the evidence. *See Teamsters Local 445 Freight Division Pension Fund v. Bombardier, Inc.*, 546 F.3d 196, 202 (2d Cir.2008); *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d at 320. Unlike the Fifth Circuit, however, they apply that standard only to Rule 23 prerequisites.

"requir[es] mini-trials on the merits of cases at the class certification stage." *Oscar*, 487 F.3d at 272 (Dennis, J., dissenting); *see also In re The Mills Corp. Sec. Litig.*, 257 F.R.D. 101, 108 (E.D. Va. 2009) ("Requiring a plaintiff to 'prove' loss causation at class certification risks converting class certification into a hearing on the merits."); *In re LDK Solar Sec. Litig.*, 255 F.R.D. 519, 530 (N.D. Cal. 2009) (*Oscar* "essentially injects what is fundamentally a merits inquiry into the class-certification inquiry through the back door: it requires the *plaintiff* to *prove* loss causation in order to avail itself of the benefit of the fraud-on-the-market presumption"); *Schleicher v. Wendt*, No. 1:02-cv-1332-DFH-TAB, 2009 WL 761157, at *12 (S.D. Ind. Mar. 20, 2009) ("The *Oscar Private Equity* court's problem with loss causation was a class-wide problem and it is not the court's job to ascertain the merit of that element of the claim at the class certification stage."); *In re Alstom SA Sec. Litig.*, 253 F.R.D. 266, 280 (S.D.N.Y. 2008) ("Loss Causation . . . relates to the merits of Plaintiffs' case and Defendants have not sufficiently established how Loss Causation is related to any necessary element of Rule 23."). Indeed, by requiring proof of loss causation and, effectively, scienter at class certification, the Fifth Circuit has essentially required plaintiffs to prove almost their entire case in order to achieve class certification.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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May 2010

APPENDIX

APPENDIX

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IN THE UNTED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHIDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., on Behalf of Itself and all Other Similarly Situated,	§	Civil Action No. 3:02-CV-1152-M
Lead Plaintiff,	§	
v.	§	
HALLIBURTON COMPANY, et al.,	§	
Defendants.	§	

ORDER

Even though the Court intends to enter an Order to the same effect at a later date, the Court has concluded that its Order entered September 29, 2008 [Docket Entry #440], denying class certification to Plaintiffs, should be vacated. The Court believes this Order may have invoked the ten day time limit for interlocutory appeal under Rule 23(f); however, the Court did not intend such a result, but merely intended to inform the parties of the Court's decision to deny class certification, with the actual Order and Memorandum Opinion to follow at a later date, at which time an interlocutory appeal would be appropriate. To eliminate the necessity of Lead

Plaintiff filing a petition for permission to appeal at this time, the Court hereby VACATES the September 29, 2008 Order. The Court intends to enter a Memorandum Opinion and Order by November 3, 2008, denying class certification to Plaintiffs.

The Court also hereby GRANTS Lead Plaintiff's Motion for Temporary Stay [Docket Entry #341]. The stay will remain in effect until the Court rules on a future Motion to lift it.

THEREFORE IT IS ORDERED that the September 29, 2008 Order denying class certification is hereby VACATED, and the Lead Plaintiff's Motion for Temporary Stay is hereby GRANTED.

SO ORDERED.

DATED this 9th day of October, 2008.

/s/ Barbara M.G. Lynn
BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS

IN THE UNTED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHIDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., on Behalf of Itself and all Other Similarly Situated,	§	**Civil Action No. 3:02-CV-1152-M**
Lead Plaintiff,	§	
v.	§	
HALLIBURTON COMPANY, et al.,	§	
Defendants.	§	

MEMORANDUM OPINION AND ORDER

Before the Court is the Plaintiffs' Motion to Certify Class [Docket Entry #34 1]. The Court held a hearing on this Motion on March 21, 2008, and approved The Archdiocese of Milwaukee Supporting Fund, Inc. ("AMS") as Class Representative.[1] The Court also noted the parties' agreement, and finds independently, that the Proposed Class satisfies Federal Rule of Civil Procedure 23 as to numerosity, commonality, typicality, and adequacy of AMS as a class representative. The parties did not dispute,

[1] The Court did not approve Plaintiff Ben Alan Murphey as a Class Representative.

and the Court also finds, that but for the single issue discussed below, a class action would be the superior method for adjudicating the claims of these class members.

The sole issue in dispute is the application of the requirement that, in a securities fraud class action, loss causation must be proven at the class certification stage.[2] Absent this requirement, the Court would certify the class. However, having considered the parties' extensive briefing, oral argument, and the applicable law, the Court is of the opinion that Plaintiffs have not demonstrated loss causation as to any of their claims. For that reason, Plaintiffs' Motion to Certify is **DENIED**.

BACKGROUND

Plaintiffs' Fourth Consolidated Amended Complaint ("Complaint") against Defendant Halliburton Company, et al ("Halliburton"), alleges misrepresentations with respect to three issues: (1) the expense of asbestos litigation; (2) changes to the accounting methodology used by Halliburton and their effect on earnings; and (3) the benefits of Halliburton's merger with Dresser Industries ("Dresser"). The class period is June 3, 1999 to December 7, 2001. Plaintiffs allege that during this period Halliburton, under the guidance of Dick Cheney (CEO until July 2000) and David Lesar (CEO since July 2000), downplayed the company's estimated asbestos liabilities, falsified earnings

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[2] *See Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007).

statements, and overstated the benefits of a merger with Dresser, in an effort to inflate Halliburton's stock price.

Plaintiffs point to eight specific disclosures, accompanied by a drop in Halliburton's stock price, as evidence of the inflationary effects of alleged misrepresentations on Halliburton's stock price. Plaintiffs rely on an expert witness, Jane Nettesheim ("Nettesheim"), who prepared a statistical model of Halliburton's stock price during the class period. Nettesheim asserts that each of these eight disclosures resulted in a company-specific decline in the stock price that cannot be attributed to general market trends or other external factors. Halliburton argues that Nettesheim's model is inadequate to satisfy the requirements for loss causation in the Fifth Circuit. The parties do not dispute that there was an efficient market in this case.

LEGAL STANDARD REGARDING LOSS CAUSATION

To establish a securities claim under Securities and Exchange Commission ("SEC") Rule 10b-5, a plaintiff must establish six elements: (1) a material misrepresentation or omission; (2) scienter; (3) a connection with the purchase or sale of a security; (4) reliance; (5) economic loss; and (6) loss causation, "i.e., a causal connection between the material misrepresentation and the loss."[3] In class

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[3] *See Ind. Elec. Workers' Pension Trust Fund IBEW, et al, v. Shaw Group Inc., et al*, 537 F.3d 527, 532 (5th Cir. 2008) (citations omitted); *Dura Pharm., Inc. v. Broudo*, 544 U.S. 336, 341-42 (2005) (citations omitted).

action securities cases such as this one, plaintiffs can satisfy the reliance requirement through the fraud-on-the-market theory.

The fraud-on-the-market theory presumes that in an open and developed securities market, a company's stock price is determined by all available material information. Thus, buyers or sellers can be defrauded even if they cannot prove they personally relied on the alleged misstatements.[4] In *Greenberg v. Crossroads Systems, Inc.*, the Fifth Circuit held that class-wide reliance is rebuttably presumed where: "(1) the defendant made public material misrepresentations, (2) the defendant's shares were traded in an efficient market, and (3) the plaintiffs traded shares between the time the misrepresentations were made and the time the truth was revealed."[5]

The Fifth Circuit recently tightened the first Greenberg requirement by requiring "proof that the [defendant's] misstatement actually moved the market."[6] As a result, Plaintiffs in this case must demonstrate loss causation in order to trigger the fraud-on-the-market presumption of class reliance.[7] The Fifth Circuit requires loss causation to be "established at the class certification stage by a preponderance of all admissible evidence."[8] The Court must make an empirical judgment on loss

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[4] *Basic Inc. v. Levinson*, 485 U.S. 224, 241-42 (1988) (citation omitted).

[5] 364 F.3d 657, 661 (5th Cir. 2004).

[6] *Oscar*, 487 F.3d at 265.

[7] *Id.*

[8] *Id.* at 269.

causation "drawing largely from publicly available data thereby leaving minimal need for discovery."[9]

This approach to loss causation imposes an exceedingly high burden on Plaintiffs at an early stage of the litigation, but the Fifth Circuit determined that such a high burden was justified because of "the in *terrorem* power of class certification, the extraordinary leverage bestowed upon plaintiffs with certification and the due process rights of the parties."[10] This Court is bound to follow the Fifth Circuit's precedent, but notes that the bar is now extremely high for all plaintiffs seeking class certification in securities litigation.

Plaintiffs can show that an alleged misrepresentation actually affected the market in one of two ways: (1) demonstrating an increase in the stock price after the release of false positive news; or (2) demonstrating a decrease in price following a corrective disclosure.[11] Confirmatory statements, or information already known to the market, are deemed not to actually affect the stock price, because an efficient market does not respond to information already known.[12] An efficient

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[9] *Ryan v. Flowserve Corp.*, 245 F.R.D. 560, 569 (N.D. Tex. 2007) (Boyle, J.) (citing *Oscar*, 487 F.3d at 267).

[10] *Id.* (citing *Oscar*, 487 F.3d at 266-67 ("class certification creates insurmountable pressure on defendants to settle")).

[11] *Nathenson v. Zonagen*, 267 F.3d 400, 418-19 (5th Cir. 2001). Here, Plaintiffs rely only on the second method of proving stock price inflation—showing the stock price decreased following alleged corrective disclosures. They do not point to any stock price increases resulting from positive misrepresentations.

[12] *Flowserve*, 245 F.R.D. at 568 (citing *Nathenson*, 267 F.3d at 419); Greenberg, 364 F.3d at 665-66 ("confirmatory information

securities market fully responds to new information the first time it is made public, so misrepresentations cannot be actionable unless they are non-confirmatory, and complete corrective disclosures will only affect the stock price when they are first made.

The burden on claimants like Plaintiffs is further enhanced by the requirement that when relying on a *decline* in the company's stock price to prove that the price had been inflated by false positive information, they "must show that the false statement causing the increase was related to the statement causing the decrease."[13] This burden is derived from the theory of proximate loss—plaintiffs must show that the loss resulting from the corrective disclosure is proximately derived from the earlier misrepresentation. The absence of such a requirement would "bring about harm of the very sort the statutes seek to avoid" and would "tend to transform a private securities action into a partial downside insurance policy."[14]

When a company makes corrective disclosures and combines them with a discussion of unrelated negative information, plaintiffs must also "demonstrate that there is a reasonable likelihood that the cause of the decline in price is due to the revelation of the truth and not the release of the unrelated negative information."[15] Although at the

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has already been digested by the market and will not cause a change in stock price").

[13] *Greenberg*, 364 F.3d at 665.

[14] *Dura Pharm., Inc.*, 544 U.S. at 347.

[15] *Greenberg*, 364 F.3d at 665.

class certification stage plaintiffs need not quantify the portion of loss that resulted from the false information rather than the unrelated disclosure, or prove that "some percentage of the drop was attributable to the corrective [portion of the] disclosure—the plaintiffs must, in order to establish loss causation at this stage, offer some empirically-based showing that the corrective disclosure was more than just present at the scene."[16]

Expert analysis can provide evidence to support the causation requirement, but it is not sufficient to carry plaintiffs' burden "without reference to any post-mortem data [the experts] have reviewed or conducted."[17] However, in some cases it may be so evident that a stock decline is driven by a particular corrective disclosure that no empirical analysis would be necessary to disaggregate the effect of the corrective disclosure from other unrelated disclosures.[18] For example, in Greenberg, the Fifth Circuit compared information about company earnings to "news of temporary interoperability problems," and concluded that:

> [U]nlike the news of temporary interoperability problems, we are persuaded the news that a company's revenue will be 66% below estimates satisfies the plaintiffs [sic] burden. News that a company's earnings will be two-thirds short of analysts [sic] estimates is the type of negative

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[16] *Oscar*, 487 F.3d at 271.

[17] *Id.*

[18] *See Greenberg*, 364 F.3d at 669.

> information most likely to cause a sharp decline in stock price.[19]

As a result, even though the "plaintiffs offer[ed] no evidence or analysis tending to show that the drop in price following the [corrective disclosure] was likely caused by the negative financial news" the court found "that [the defendant's] statements ... may form the basis for the plaintiffs [sic] fraud-on-the-market claim."[20]

In *Flowserve*, Judge Boyle clarified the plaintiffs' burden at the class certification phase:

> Plaintiffs who seek class status by showing collective reliance through the fraud-on-market presumption must show that the defendant made public, material misstatements, that the stocks traded in an efficient market, and that the stock price was actually affected by the purported fraud. To show that a stock price was actually affected, plaintiffs must show that false, non-confirmatory positive statements caused a positive effect on the stock price. Alternatively, plaintiffs must show: (1) that an alleged corrective disclosure causing the decrease in price is *related to* the false, non-confirmatory positive statement made earlier, and (2) that it is *more probable than not* that it was this related corrective disclosure, and not any other unrelated

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[19] *Id.*
[20] *Id.*

> negative statement, that caused the stock price decline.[21]

Because the Plaintiffs in this case have presented no evidence of false, non-confirmatory positive statements causing a *positive* effect on the stock price, it is this second, alternative burden that Plaintiffs must meet.

ANALYSIS

Plaintiffs claim that Halliburton made material misrepresentations, and then later made corrective disclosures with respect to three different issues: first, that Halliburton knowingly minimized its prospective liabilities from asbestos litigation to maintain its attractiveness to investors; second, that Halliburton employed fraudulent accounting practices to overstate its revenue; and third, that Halliburton executives made false statements about the anticipated success of Halliburton' s merger with Dresser, to inflate the price of Halliburton' s stock.

I. Asbestos Liabilities

Plaintiffs allege that Halliburton "intentionally concealed and affirmatively misrepresented the true significance of Halliburton's exposure to asbestos liabilities in Halliburton's financial statements, [SEC] [sic] filings, press releases and communications with analysts and investors." Plaintiffs point to four separate statements they claim are corrective disclosures,

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[21] *Flowserve*, 245 F.R.D. at 569 (emphasis added).

each addressed in greater detail below. First, on June 28, 2001, Halliburton disclosed that Harbison-Walker,[22] a former subsidiary of Halliburton's new subsidiary (Dresser), had requested financial assistance from Halliburton to cover potential losses from asbestos lawsuits. David Lesar and Gary Morris, Halliburton's Executive Vice President and Chief Financial Officer through August of 2001, stated during a conference call with analysts that as a result, the "worst case scenario" would be a net exposure of $50 to $60 million in asbestos liabilities, a considerable increase over the previous month's estimate of $30 million. On June 28, 2001, Halliburton increased its asbestos reserves by $30 million to include this "worst case scenario," for total reserves of $60 million.

Second, Plaintiffs point to a Form 10-Q filed by Halliburton with the SEC on August 9, 2001, in which it further increased its asbestos liability reserves to $124 million in response to the request for assistance from Harbison-Walker. Third, on October 30, 2001, Halliburton issued a press release announcing a $150 million jury verdict in an asbestos lawsuit, for which Halliburton would be responsible for $21.3 million. Fourth, on December 7, 2001, Halliburton issued a press release detailing the recent asbestos verdicts returned against it. Nettesheim asserts that each of these disclosures was accompanied by a company-specific, statistically significant decline in Halliburton's stock price, and therefore proves loss causation.

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[22] Harbison-Walker Refractories Company.

The Court concludes that Plaintiffs' arguments with respect to the asbestos issue are legally insufficient to establish loss causation. Defendants correctly argue that Plaintiffs' expert must link the alleged corrective disclosures with prior actionable misrepresentations in order to establish loss causation.[23] Here, Plaintiffs do not actually link any alleged misrepresentations with the four asbestos disclosures. Instead, Plaintiffs claim that the aggregate of Halliburton's SEC filings, financial statements, press releases, and conferences with analysts artificially inflated the value of Halliburton's stock price. Plaintiffs then argue that each of the four disclosures corrected some of the inflation caused by the aggregate of Halliburton's prior statements. However, this "fraud in the aggregate" argument simply fails to satisfy the Fifth Circuit's loss causation requirements.

In *Greenberg*, the court identified five distinct actionable statements regarding the interoperability of the defendant's routers that directly correlated with alleged corrective disclosures.[24] Here, Plaintiffs cite four "partial" corrective disclosures and argue that each disclosure led to a partial market correction of the aggregate inflation in Halliburton's stock price. Plaintiffs do not identify specific statements that were revealed to be fraudulent by these corrective disclosures. Importantly, it is the misrepresentations themselves, not the corrective disclosures, which form the basis of a valid securities fraud claim.

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[23] *See Greenberg*, 364 F.3d at 666.

[24] *Id.*

Prior to the class period, Halliburton had in fact made significantly lower asbestos liability estimates in a number of its public filings. Plaintiffs point to these prior financial statements as creating an inflated stock price, without either identifying particular statements revealed to be fraudulent or eliminating confirmatory statements from the analysis.[25] Unless actionable statements, which were later corrected, are identified, Plaintiffs cannot establish loss causation.

However, even if the Court were to accept Plaintiffs' generalized approach as satisfying the initial requirements of loss causation, Plaintiffs' specific arguments with respect to each of the four alleged corrective disclosures are also insufficient to meet the loss causation burden.

A. June 28, 2001 Partial Corrective Disclosure

To establish an inflated stock price, Plaintiffs rely on those portions of Halliburton's SEC filings from 1999 to 2001, which reported the company's reserves for asbestos liabilities. Halliburton's latest SEC filing prior to the June 28, 2001 disclosure, filed in May 2001, reported liability reserves totaling $30 million and stated that Halliburton had reserved sufficient funds for its estimated asbestos liabilities. However, in June 2001, Harbison-Walker asked Halliburton for financial assistance with potential

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[25] *See Flowserve*, 245 F.R.D. at 568 (citing *Nathenson*, 267 F.3d at 419).

asbestos claims.[26] Plaintiffs cite a conference call with analysts on June 28, 2001, where "Lesar and Morris stated that the 'worst case scenario' would be exposure, after insurance, of $50 to $60 million—not the $30 million that they had reported to be 'adequate' the previous month." Nettesheim opines that the drop in Halliburton's stock price following this alleged corrective disclosure establishes loss causation because the disclosure "related to Halliburton's misstatements—specifically misstatements concerning the significance of Halliburton's exposure to asbestos liabilities."

However, the disclosure does not "specifically reveal[]" any misrepresentation or fraud in Halliburton's prior asbestos estimates.[27] In *Greenberg*, the company's corrective disclosure about the interoperability of its routers "specifically revealed" that the prior representations about

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[26] Harbison-Walker asked Halliburton for financial assistance with its potential asbestos claims, which Harbison- Walker assumed in 1992 as part of its spin-off from Dresser. Dresser agreed to handle asbestos claims filed prior to the spin-off, and Harbison-Walker agreed to handle asbestos claims filed afterward. Dresser and Harbison-Walker agreed that Harbison Walker could access Dresser's historical insurance coverage for the asbestos-related liabilities it assumed. The companies were, in effect, co-insured, so Halliburton had a direct interest in how Harbison-Walker's claims were resolved. If Harbison-Walker exhausted the insurance available to protect Dresser/ Halliburton, or if Dresser was named as a party to a lawsuit along with Harbison-Walker and Harbison-Walker was unable to fund the claims, then Halliburton would be responsible for these claims. Understandably, Halliburton stated to analysts that it had a "substantial interest" in resolving the asbestos claims against Harbison-Walker.

[27] *See Greenberg*, 364 F.3d at 666.

interoperability were incorrect.[28] Here, Plaintiffs do not allege, or prove, that Halliburton's prior asbestos liability estimates were revealed by the June 28 disclosure to be fraudulent or even incorrect. In fact, it is just as likely that Halliburton revised its estimated asbestos liability figures based on newly acquired information about the Harbison-Walker situation. Halliburton is correct in arguing that "[t]here is no allegation in the Fourth Complaint — and certainly no evidence—that Harbison-Walker required Dresser's assistance prior to this disclosure."

In *Flowserve*, Judge Boyle granted summary judgment for the defendants because the alleged corrective disclosures did not "disclose the truth about the alleged misrepresentations at the center of Plaintiffs' claims."[29] Judge Boyle found that lowering the company's earnings estimates did not show that Flowserve had previously misstated its financials or misrepresented its internal controls.[30] Likewise, adjusting Halliburton's estimated asbestos liability (especially in the context of Harbison-Walker's recent request for financial assistance) does not constitute evidence that Halliburton previously fraudulently misrepresented its asbestos liability estimates. Without citing an actionable prior misrepresentation, Plaintiffs cannot meet the requirements of loss causation.[31]

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[28] *Id.*

[29] *Flowserve*, 245 F.R.D. at 578.

[30] *Id.* at 579.

[31] *See Greenberg*, 364 F.3d at 661.

Quite simply, countless external factors can cause a company to incur a loss, fail to meet earnings forecasts, or adjust liability estimates—each of which will very likely affect the company's stock price. However, Plaintiffs cannot establish loss causation by simply speculating that fraud caused the loss.[32] Plaintiffs must provide actual evidence of an unlawful scheme which inflated the stock price.[33] The corrective disclosure cited by the Plaintiffs does not reveal that Halliburton made an initial false statement about its asbestos liability. This flaw is apparent from Nettesheim's report, which states that "the stock price decline on June 29 was caused by information [provided on June 28] that partially corrected *investors' erroneous assessments* [of] Halliburton's asbestos liability." Plaintiffs' own expert failed to opine that the June 28 disclosure corrected intentionally fraudulent information produced by Halliburton regarding its asbestos liability.

The circumstances would be different if it were alleged, for example, that Halliburton previously stated that it was including Harbison-Walker's asbestos exposure in its liability estimates but in fact was not, or that Halliburton had no exposure to the Harbison-Walker claims and had agreed never to cover them, when in fact it had made such an agreement. In contrast, Plaintiffs seek a finding of loss causation based on speculation, a step Fifth Circuit precedent bars this Court from

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[32] *See Oscar*, 487 F.3d at 271.

[33] *See Flowserve*, 245 F.R.D. at 579.

taking.[34] In short, Plaintiffs have not established loss causation with respect to the first disclosure.

B. August 9, 2001 Partial Corrective Disclosure

Similarly, Plaintiffs cannot establish loss causation with respect to the August 9, 2001 partial corrective disclosure. On August 9, 2001, Halliburton filed a Form 10-Q with the SEC, revealing that its accrued liability reserves had been increased from $64 million, as disclosed in its June 28, 2001 disclosure, to $124 million. Plaintiffs argue that the increase in Halliburton' s reserves to $124 million, in response to Harbison-Walker's request for assistance, contradicted Halliburton's earlier statement on July 25, 2001 that it would be "'prudent to accrue $60 million" to cover "potential exposure" for asbestos litigation after Harbison-Walker asked Halliburton for financial assistance with potential asbestos claims.[35]

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[34] *See Oscar*, 487 F.3d at 271.

[35] On July 25, 2001, Halliburton held a conference call for analysts and money managers, where Lesar stated: "As we've previously reported in a press release on June 28, in a response [sic] to a request from Harbison-Walker for assistance to fund settlements of asbestos claims that Harbison had assumed at the time they were spun-off from Dresser Industries, we went in and took a look at the situation... Based on our analysis of Harbison's claims at this point in time and our concern that they may not be able to perform under their obligations, however, we thought it was prudent to accrue $60 million after-tax against the gain on the discontinued operations which, we believe, in our best judgment, is the potential exposure we have for this asbestos litigation..."

Plaintiffs cannot establish loss causation with respect to the August 9, 2001 disclosure because they have not shown that the disclosure had a *corrective* effect, as opposed to simply a negative effect, on the stock price.[36] If the release of negative information to the market "does not disclose the scheme [to drive up stock prices]," then the information "cannot correct the artificial inflation caused by the scheme."[37] The Court is "unwilling to infer loss causation" from mere speculation of fraud.[38]

The sudden and substantial increase in Halliburton's asbestos liability reserves is the *sine qua non* of Plaintiffs' allegation; however, there is nothing in the August 9 disclosure to suggest that Halliburton or Lesar were lying about the company's prior analysis of Harbison-Walker's asbestos liabilities. Rather, Plaintiffs point to the substantial difference between the two numbers and ask the Court to bridge the gap with an inference of fraud. While the Court recognizes that there was a significant increase in the amount of asbestos liability reserves which occurred over a very short period of time, it cannot speculate about Halliburton's motivation behind suddenly increasing the reserves, and is in fact barred from doing so by applicable precedent. Plaintiffs have not demonstrated that the August 9 disclosure *revealed a scheme* to inflate stock prices, as opposed to merely

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[36] *See Flowserve*, 245 F.R.D. at 579 (citing *In re Initial Pub. Offering Sec. Litig.*, 339 F. Supp. 2d 261, 266 (S.D.N.Y. 2005)).
[37] *Id.*
[38] *See Oscar*, 487 F.3d at 271.

revealing a change in circumstances.[39] The Court will not infer fraud where there is no evidence of a scheme to inflate the stock price.[40]

In *Flowserve*, Judge Boyle did not certify a class, and granted summary judgment in favor of the defendants, because the alleged corrective disclosures did not "disclose the truth about the alleged misrepresentations at the center of Plaintiffs' claims."[41] There, releases that corrected previous earnings estimates did not establish that the company had either misstated its previous financial statements or misrepresented its internal controls.[42] Likewise, the mere existence of SEC filings that alter previous asbestos liability estimates cannot establish that the company misstated its previous asbestos liability estimates or misrepresented its potential asbestos liability.

While it is within the realm of possibility that Halliburton executives deliberately understated the company's asbestos liability a mere two weeks before doubling the reserve, Plaintiffs offer no disclosure that actually "*reveal[s]*" any such improper behavior to the market.[43] Plaintiffs' argument is, at best, "well-informed speculation."[44] Although the loss causation requirements imposed by the Fifth Circuit

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[39] *See Greenberg*, 364 F.3d at 665 ("plaintiffs cannot trigger the presumption of reliance by simply offering evidence of any decrease in price following the release of negative information").

[40] *See Flowserve*, 245 F.R.D. at 579.

[41] *Id.* at 578.

[42] *Id.* at 579.

[43] *See Greenberg*, 364 F.3d at 665 (emphasis added).

[44] *See Oscar*, 487 F.3d at 271.

are significant, that is the law which this Court must follow, and it bars certification of the class with respect to the second disclosure.

C. October 30, 2001 Partial Corrective Disclosure

Plaintiffs similarly cannot establish loss causation with respect to the October 30, 2001 disclosure. After the market closed on that day, "Halliburton announced that on October 26, 2001, a jury in Mississippi found Dresser (through Harbison-Walker) liable in two of six asbestos cases for total compensatory damages of $21.3 million."[45] Plaintiffs claim that " [t]he stock price declines on October 31 and November 1, 2001 were caused by information that partially corrected investors' erroneous assessments [of] Halliburton's asbestos liability."

This allegation focuses on the timing of the disclosure of a number of sizeable asbestos verdicts for which Halliburton was responsible. On September 12, 2001, a Texas jury returned a $130 million verdict against Halliburton and its co-defendants in an asbestos lawsuit.[46] On October 26,

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[45] No judgment on the verdict had been entered against Halliburton as of that date. Plaintiffs provide conflicting information regarding this asbestos verdict, first stating that a Mississippi jury returned the verdict in the Complaint, and later stating that a "*second Texas jury*" returned this verdict in its reply brief. However, this discrepancy is not significant to the Court's loss causation inquiry.

[46] Plaintiffs also provide inconsistent information about this asbestos verdict. First, Plaintiffs claim in the Complaint that asbestos claims *relating to Harbison-Walker* led to the September 12 verdict, but Plaintiffs also allege in the

2001, a Mississippi jury returned an adverse asbestos verdict of $150 million, $21.3 million of which was Halliburton' s responsibility. Plaintiffs cite a press release issued by Halliburton on October 30, 2001, which discussed only the October verdict, as a corrective disclosure. Plaintiffs claim generally that Halliburton executives artificially inflated its stock price by making positive statements to analysts regarding Halliburton's estimated asbestos liabilities, and by failing to disclose the entire truth about the asbestos verdicts. Plaintiffs identify one statement that could qualify as a misrepresentation: on October 23, 2001, after the September verdict was

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Complaint that "a jury returned a $130 million verdict *against Halliburton* and a co-defendant for five asbestos plaintiffs" (emphasis added), and again in their reply brief state that "*Halliburton* learned that a jury had returned a $130 million verdict *against it*" (emphasis added). Plaintiffs also initially allege only one "co-defendant" but later in the Complaint assert that the verdict was rendered against multiple "co-defendants." Finally, Plaintiffs allege that the Texas jury returned a *$130 million* verdict against Halliburton and a co-defendant for five asbestos plaintiffs, but later point to analysts' knowledge of the Texas jury award of *$65 million* in compensatory and punitive damages to five plaintiffs (and Nettesheim in fact refers to the fact that "a Texas District Court had entered a judgment against Dresser on a $65 million jury verdict rendered in September 2001"). These discrepancies could be important, given that Plaintiffs rely on Lesar's statement that "there have been no adverse developments at all with respect to the *Harbison-Walker* situation" (emphasis added) as a prior misstatement, and do not specifically allege that the September jury verdict was in fact a Harbison-Walker claim. However, assuming that the September verdict arose from a *Harbison-Walker* claim (and Halliburton does in fact state that the Texas court entered judgment "against Dresser"), the Plaintiffs still fail to meet the requirements of loss causation, as explained in greater detail below.

returned, Lesar stated that "there have been no adverse developments at all with respect to the Harbison-Walker situation."

However, the Court cannot certify a class based on the October 30 disclosure because it lacks one necessary element: the corrective disclosure must reveal to the marketplace the truth behind the alleged misrepresentation.[47] The October 30 disclosure does not reveal to the market the truth of the alleged misrepresentation of October 23, because the correction does not reference the September verdict. If any misrepresentation occurred on October 23, it necessarily went to the failure to disclose the September verdict, because the October verdict had not yet been returned. But only the October verdict, not the September verdict, was revealed in the October 30, 2001 disclosure.

The requirement that there be a corrective disclosure of the alleged misrepresentation is not a mere triviality. To establish a presumption of reliance, the Plaintiffs must show that the misrepresentation actually moved the market.[48] Such a showing may be made by Plaintiffs (1) showing an increase in stock price following the alleged misrepresentation, or (2) showing a decrease in the stock price following a corrective disclosure.[49]

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[47] *See Greenberg*, 364 F.3d at 661.

[48] *See Oscar*, 487 F.3d at 265.

[49] *Flowserve*, 245 F.R.D. at 568 (citing *Nathenson*, 267 F.3d at 418-19). The Plaintiffs have not alleged an increase in stock price following any of the alleged misrepresentations, and therefore only the second mode of proving the

Without a corrective disclosure regarding the September verdict, the only verdict the alleged misrepresentation could relate to, Plaintiffs cannot show that the stock price declined as a result of a *corrective* disclosure.[50]

Plaintiffs argue that the October 30, 2001 disclosure in fact related to the September verdict, because it demonstrated that Halliburton's anticipated asbestos liabilities were higher than generally reported. Plaintiffs argue that Lesar's statement on October 23 falsely suggested to the marketplace that Halliburton's prospective asbestos liabilities were under control, while the subsequent disclosure of the October verdict proved they were not. However, Halliburton's previous warning in its Form 10-K filings that a series of high asbestos verdicts remained a possibility directly contradicts this theory.[51]

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misrepresentation actually moved the market is available to them.

[50] *See id.* There are two ways for the Plaintiffs to satisfy the Oscar requirement that the misrepresentation actually moved the market, and only one requires the existence of a corrective disclosure. If Nettesheim's model demonstrated an increase in Halliburton's stock price following Lesar's statement, one could argue that a corrective disclosure was not required. However, because Plaintiffs rely only on the decline in the stock price, this avenue is closed.

[51] For example, in Halliburton's 1999 Form 10-K filing with the SEC, it stated in the "Notes to Annual Financial Statements" section that "We *recognize the uncertainties of litigation and the possibility that a series of adverse court rulings could materially impact the expected resolution of asbestos related claims.* However, based on our historical experience with similar claims, the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing

Plaintiffs do not satisfy *Greenberg*'s requirement of demonstrating that Halliburton made a misrepresentation that moved the market, which was related to the later correction.[52] Lesar stated that "there have been no adverse developments," not "there *will* be no adverse developments." Plaintiffs do not present opinions, much less any that reference "post-mortem data," to suggest that the market perceived the October 30, 2001 disclosure as having a *corrective* effect after any earlier *fraudulent* statement by Lesar.[53] Plaintiffs ignore the distinction between negative and corrective disclosures.[54] A negative disclosure does not necessarily have a corrective effect on the stock price.

Although Nettesheim concludes that the October 30, 2001 announcement had a negative effect on the stock price, she does not show that the resulting decline in the stock price was proximately caused by a prior misstatement. In fact, Nettesheim cites to the opinion of an A.G. Edwards analyst, who stated "[w]e expect a vigorous defense by [Halliburton's] [sic] and remain optimistic that the asbestos liability will remain under control." Thus, the market perception of the disclosure of the recent verdict was not that Halliburton fraudulently concealed its potential asbestos liabilities, but that

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asbestos, and our understanding of the facts and circumstances that give rise to such claims, we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations" (emphasis added).

[52] *Greenberg*, 364 F.3d at 661.

[53] *See Oscar*, 487 F.3d at 271.

[54] *See Flowserve*, 245 F.R.D. at 579.

the verdict was a surprising event against which Halliburton would vigorously defend. The market did not perceive the revelation of the verdict as evidence of prior fraud. As a result, the October 30 disclosure does not satisfy the requirements of loss causation.

In *Flowserve*, the plaintiffs argued that the "true financial condition" of the company was not accurately reflected by the company's prior earnings estimates.[55] Likewise, Plaintiffs argue that Lesar's statement suggested that Halliburton's asbestos liabilities were under control, which was not an accurate reflection of the "true asbestos condition" of the company. In *Flowserve*, the plaintiffs argued that subsequent financial statements demonstrated the company's "true financial condition;" here, Plaintiffs argue that subsequent asbestos verdicts revealed that Halliburton's true asbestos condition was not under control. The court rejected the argument in *Flowserve*, and this Court similarly rejects the argument here.[56]

For yet another reason, the October 30, 2001 disclosure is insufficient to establish loss causation: Plaintiffs have not separated the negative effect of the *new* information—the recent October verdict—from any corrective effect flowing from the revelation of increased *existing* asbestos exposure, if the corrective disclosure in fact related to Lesar's failure to reveal the September verdict. In short, Plaintiffs

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[55] *Id.* at 573.

[56] *See id.* at 574 ("the 'true financial condition' theory, if accepted, threatens to undermine the objective of securities law and disregards precedent").

have not demonstrated loss causation as to the third asbestos disclosure.

D. December 4-7, 2001 Partial Corrective Disclosures

From December 4 through December 7, Halliburton disclosed a number of recent adverse asbestos jury verdicts in its Form 8-K SEC filings. On December 4, Halliburton filed a Form 8- K with the SEC, in which it disclosed that a Texas district court entered a judgment against Halliburton/ Dresser on a jury verdict rendered in September 2001.[57] This filing also disclosed that the same district court entered three additional judgments against Dresser in favor of 100 other asbestos plaintiffs, for an aggregate amount of $35.7 million, due to a an "alleged breach of a purported settlement agreement." Then, on December 7, 2001, Halliburton issued a press release detailing the recent asbestos verdicts rendered against it.[58]

Plaintiffs argue that the decline in Halliburton's stock price on December 4, 5, and 7 demonstrates loss causation because Halliburton

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[57] *See supra* footnote 46.

[58] Plaintiffs' Complaint and reply brief each identify a "release detailing all the recent asbestos verdicts" issued by Halliburton on December 7, 2001 as the corrective disclosure. However, Nettesheim's report only refers to a Form 8-K filed by Halliburton on December 7, 2001, disclosing a $30 million verdict rendered by a Maryland jury on December 5, 2001, in favor of five plaintiffs and against Halliburton/Dresser, as the corrective disclosure. For the purposes of its loss causation analysis, the Court will refer to both of these disclosures collectively as the December 7 disclosure.

intentionally minimized the market's perception of its asbestos liabilities. However, Nettesheim's report appears to treat only the December 7 filing as a corrective disclosure, stating "[t]he cause of the large decline in Halliburton's stock price on December 7 was directly related to the disclosure regarding its asbestos exposure and subsequent market assessments at [sic] to the possible financial consequences to the Company of that asbestos exposure." Further, Plaintiffs' reply brief, while briefly noting the December 4 filing, only attempts to link the December 7 disclosure to prior representations that Halliburton's asbestos reserves were "adequate," "prudent," and "conservative." As a result, the Court will treat only the December 7 disclosure as an alleged corrective disclosure. However, even assuming that Plaintiffs properly alleged that the December 4 filing also qualified as a corrective disclosure, the Plaintiffs' loss causation argument must still fail.

With respect to the December 4 filing, Nettesheim's report states that "this [September] verdict was known to the public before December 4... an analyst for Salomon Smith Barney referred to this verdict in his November 9, 2001 report." Plaintiffs' Complaint also admits that "a few analysts did find out about the large Texas verdict," and cites to the same Salomon Smith Barney report. Information already known to the market cannot actually affect the stock price because an efficient market will not respond to information that is

already known.[59] As a result, the December 4 filing does not meet the loss causation requirements with respect to revelation of the September verdict. Additionally, the information about the judgment entered due to Dresser's breach of a purported settlement agreement qualifies as nothing more than new negative information, rather than a corrective disclosure, because there are no identifiable prior statements relating to any such settlement agreement.

Further, Plaintiffs cannot establish loss causation with respect to the December 4 disclosure because they have not shown that the filing had a *corrective* effect, as opposed to simply a negative effect, on the stock price.[60] If the release of negative information to the market "does not disclose the scheme [to drive up stock prices]," then the information "cannot correct the artificial inflation caused by the scheme."[61] Halliburton correctly argues that disclosures relating to asbestos verdicts, especially those revealed within days of judgment being entered, "merely confirmed the Company's previous and repeated warnings that a series of such results 'could materially impact' its expectations regarding resolutions of its asbestos claims." As previously stated, the Fifth Circuit is "unwilling to infer loss causation" from mere speculation of fraud.[62]

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[59] *See id.* at 568. *60 See id.* at 579 (citing In re Initial Pub. Offering Sec. Litig., 339 F. Supp. 2d 261, 266 (S.D.N.Y. 2005)).
[60] *See id.* at 579 (citing In re Initial Pub. Offering Sec. Litig., 339 F. Supp. 2d 261, 266 (S.D.N.Y. 2005)).
[61] *Id.*
[62] *Oscar*, 487 F.3d at 271.

Nettesheim opines that "the Company released several pieces of negative news, all of which were concerning the asbestos claims," but does not allege that this information had a corrective effect on the stock price. The Court cannot simply speculate about previous fraudulent statements that may or may not have inflated the stock price, and that were allegedly later corrected by this December 4 disclosure. The Plaintiffs must prove that the disclosure actually revealed to the market prior fraud.[63]

The only identifiable misstatement that could relate to the December 4 disclosure, even though not even identified by Plaintiffs with respect to the December 4 filing, would be Lesar's statement on October 23, 2001, that there had been no "adverse developments" with respect to the Harbison-Walker situation, which ignored the September verdict that had been rendered. But the December 4 disclosure actually provides a justification for the delay in announcing the September verdict: while the jury returned its verdict in September 2001, the Court did not enter judgment against Halliburton/Dresser until November 29, 2001. The verdict was revealed a few days later in the December 4 filing. As a result, the December 4 filing reveals nothing fraudulent to the market, and the Plaintiffs have failed to demonstrate loss causation with respect to the December 4 filing.

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[63] *See Greenberg*, 364 F.3d at 666.

With respect to the December 7 disclosure, Plaintiffs again fail to distinguish between the negative and corrective effects of the disclosure.[64] To establish loss causation, Plaintiffs must show that it was "more probable than not" that the decline in stock price was caused by the corrective portion of the disclosure, rather than the new information.[65] For example, in Greenberg, the corrective disclosure regarding the interoperability of routers also stated the company had lost one of its biggest customers.[66] The plaintiffs in *Greenberg* failed to establish loss causation because they did not demonstrate that the decline in stock price was caused by the disclosure regarding interoperability, rather than the loss of a major customer.[67]

There are two distinct components driving the decline in stock price following the December 7, 2001 disclosure: the corrective effect resulting from the alleged prior minimization of asbestos liabilities; and the negative effect following the announcement of a new asbestos verdict, rendered on December 5. Plaintiffs must demonstrate that it was "more probable than not" that the subsequent decline in stock price was caused by a *correction* of a prior inflated value, rather than constituting a normal market response to a sizeable adverse verdict.[68]

The December 7, 2001 disclosure references the recent December verdict, which *was new*

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[64] *See id.* at 665.

[65] *See id.*; *see also Flowserve*, 245 F.R.D. at 569.

[66] *Greenberg*, 364 F.3d at 666-67.

[67] *Id.* at 667.

[68] *See id.* at 666.

negative information, unrelated to previous disclosures, and also negative information about the September verdict, which was already known to the market.[69] Plaintiffs make no effort to distinguish any corrective effects from the effects of new negative information. With respect to mixed disclosures, the plaintiff's burden is heightened—Plaintiffs must separate actual corrective effects from effects of new negative events.[70] Here, Plaintiffs merely point to a decline in Halliburton's stock price following the mixed disclosure and then presume loss causation. The Fifth Circuit has made clear that this is insufficient to carry the Plaintiffs' burden at the class certification phase.[71]

Plaintiffs argue that the December 7, 2001 disclosure corrects Halliburton's previous representations of its estimated asbestos liabilities as "manageable" and "a nuisance."[72] However, construing an adjustment of potential liability as inherently fraudulent would discourage companies from addressing changed conditions, for fear of

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[69] As stated above, Halliburton filed a Form 8-K with the SEC on December 4 disclosing the jury verdict rendered against Dresser in September 2001. Plaintiffs also admit that "this verdict was known to the public before December 4...an analyst for Salomon Smith Barney referred to this verdict in his November 9, 2001 report."

[70] *Greenberg*, 364 F.3d at 666.

[71] *Id.*

[72] For example, on September 4, 2001, Lesar stated that Halliburton "takes our exposure seriously," but that it sees asbestos claims against the company as a "manageable problem."

exposing themselves to securities fraud lawsuits.[73] Even though Halliburton had previously warned investors that its asbestos reserves could possibly be affected by a series of high verdicts, Plaintiffs argue that Halliburton's disclosure of these new asbestos verdicts shows that the company's previous estimates were fraudulent. As noted earlier, the Court will not infer fraud where there is no evidence of a scheme to inflate the stock price.[74] Plaintiffs do not cite any analyst reports or other information indicating that the market perceived the December 7, 2001 disclosure as revealing fraud, rather than just delivering bad news. Without any evidence of a fraudulent scheme, Plaintiffs' mere "well-informed speculation" is, again, insufficient to establish loss causation.[75]

Plaintiffs have failed to establish loss causation with respect to any of the four disclosures relating to asbestos liabilities. Therefore, the Court cannot certify a class with respect to the asbestos claims.

II. Accounting Methodology

With respect to the accounting claims, Plaintiffs argue that Halliburton changed its accounting methodology sometime in late 1997 or early 1998, inflating its balance sheet by recognizing

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[73] *See Flowserve*, 245 F.R.D. at 577 (rejecting plaintiff's argument on the grounds that "in practical terms, if any corporate defendant ever files a restatement, it will virtually guarantee investors the ability to recoup for any loss").

[74] *Id.* at 579.

[75] *Oscar*, 487 F.3d at 271.

as revenue claims for cost overruns that had a low probability of collection. Plaintiffs claim that these actions were accompanied by changes to the language of Halliburton's financial statements, which did not comply with the requirements of generally accepted accounting principles, because the reasons for and impact of the changes were not adequately disclosed.

Plaintiffs allege in the Complaint that over a period of at least five years, dating back to 1993, "Halliburton had consistently represented that all *'anticipated' losses on contracts were provided for currently* and that revenues represented by cost overrun/change order charges, i.e., Unapproved Claims, *were recognized only when the customer had agreed to pay the Unapproved Claim.*"[76] Plaintiffs argue this means that:

> [B]efore an Unapproved Claim was resolved, the Company recorded losses caused by project cost overruns or unpaid Unapproved Claims. According to the company's stated accounting practice, only after the claim *was resolved with an agreement to pay* would the Company recognize revenue on the claim as an offset against the project's cost overruns.[77]

Plaintiffs claim that in late 1997 to early 1998, Halliburton secretly began to include in revenue amounts that customers had *not* agreed to

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[76] Emphasis in original.

[77] Plaintiff's Fourth Amended Complaint, P. 137 (emphasis in original).

pay, where Plaintiffs claim the likelihood of collection was "dubious," to offset and conceal cost overruns and unpaid Unapproved Claims, and to pad profit margins. Plaintiffs argue that as a result Halliburton's financial statements, which stated that claims were included as revenue only "when collection is deemed probable," in fact contained amounts not likely to be collected, thereby overstating Halliburton's revenue and artificially inflating its stock price.

Plaintiffs cite Halliburton' s statement, from a press release issued December 21, 2000, that it was taking a $120 million charge in the fourth quarter of 2000 as the requisite corrective disclosure. Plaintiffs argue that this fourth quarter charge was the manifestation of Halliburton's previous inclusion in revenue of claims with a low probability of collection. The statement itself attributed $95 million of the expected $120 million loss to uncollectable cost overrun claims. It attributed the uncollectable cost overruns to labor disturbances in Venezuela and West Africa, and also mentioned that cost overruns on seven other projects had not been resolved in Halliburton's favor, as was originally anticipated.

The first major flaw in Plaintiffs' argument is that Plaintiffs fail to identify specific misrepresentations "that are capable of moving the market."[78] Nettesheim simply did not identify any specific misrepresentations that correlate to the December 21, 2000 disclosure.[79] Nettesheim merely

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[78] *See Flowserve*, 245 F.R.D. at 571.

[79] *See Greenberg*, 364 F.3d at 666.

contends that the disclosure caused a company-specific decline in Halliburton's stock price that was unrelated to industry or market conditions. While *Nathenson* held that a plaintiff may rely on a decline in the stock price following a corrective disclosure to establish loss causation, *Greenberg* clarified that a plaintiff must still show the existence of earlier misrepresentations that actually moved the market.[80] Thus, when relying on a decline in stock price, Plaintiffs must still relate the disclosure causing the fall to an earlier misrepresentation that was corrected by the disclosure. Plaintiffs have identified no such earlier misrepresentation.

Along with failing to identify an earlier misrepresentation, Plaintiffs have commingled evidence of inflation of the stock price during the class period with impermissible evidence of inflation of the stock price prior to the class period. Specifically, any alleged misrepresentations made by Halliburton that may have actually moved the market could have occurred before the class period. If Halliburton changed its accounting practices in late 1997, as Plaintiffs contend, then the financial statements in late 1997 and 1998 would have inflated the stock price if they included in revenue claims not likely collectable. The class period in this case commences on June 3, 1999. Without accounting for possible inflation prior to the class period, any later financial statements reasserting the accounting methodology are at least partially and unquantifiably confirmatory in nature.[81]

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[80] *Id.*; *Nathenson*, 267 F.3d at 418-19.

[81] *See Greenberg*, 364 F.3d at 665-66.

Confirmatory statements cannot support a showing of loss causation. Plaintiffs do not address the possibility that inflation in the stock price would have occurred, at least in part, before the beginning of the class period.

Plaintiffs attempt to meet the Greenberg requirement of pinpointing earlier misrepresentations that "actually moved the market" by citing language found in one of Halliburton's financial statements, and then repeated in later financial statements. The language of these financial statements is addressed in greater detail below. However, Plaintiffs fail to distinguish between confirmatory and non-confirmatory statements within these documents. The only alleged misrepresentation during the class period cited by Plaintiffs comes from Halliburton's 1999 Annual Report, issued in early April 2000:

> All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers for extra work or changes in the scope of work are included in revenue when collection is *deemed probable*.

This passage cannot form the basis for an actionable misrepresentation for a number of reasons.

> In *Flowserve*, Judge Boyle rejected "re-publications of financial statements, earnings projections, and confirmation of debt covenant compliance" as actionable

> statements capable of moving the market, because such material is confirmatory in nature.[82] Here, the republication of Halliburton's accounting methodology in its financial statements is similarly confirmatory.[83] Halliburton's 1998 Annual Report identically stated that "[a]ll known or anticipated losses on contracts are provided for currently." The 1998 Annual Report was filed on March 23, 1999— more than two months before the beginning of the class period. The alleged inflationary effects caused by the "all known or anticipated losses" language therefore occurred before the class period.

Plaintiffs do not allege that specific losses on contracts were incurred between the 1998 and 1999 annual reports, so that the 1999 report was somehow materially different from the first. The market will not "double-count" information it already knows.[84] Plaintiffs make no effort to distinguish between the confirmatory language and other non-confirmatory language in the 1999 Annual Report, which precludes a finding of loss causation attributable to the language regarding current provision for losses.

Comparing the plain language of the 1999 Annual Report with the language of the 1998 Annual Report reveals that one additional sentence was added to the 1999 filing. The 1999 filing states that "[c]laims and change orders which are in the process

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[82] *See Flowserve*, 245 F.R.D. at 571.

[83] *See Greenberg*, 364 F.3d at 665-66.

[84] *Flowserve*, 245 F.R.D. at 568.

of being negotiated with customers, for extra work or changes in the scope of work are included in revenue when collection is deemed probable," immediately after the "known or anticipated losses" language appears. However, Plaintiffs have not explained why this "deemed probable" language is not substantively encompassed within the previous confirmatory statement about "known or anticipated losses." Instead, Plaintiffs merely argue that as early as July 1999, "significant cost overruns and unapproved claims. . . were undermining Halliburton's earnings," without distinguishing the content and effect of the new language in the 1999 Annual Report from the "known or anticipated losses" language found in the earlier financial statements.

Therefore, Plaintiffs' position runs afoul of *Greenberg*'s requirements in two respects. First, Plaintiffs fail to identify any specific misrepresentation that allegedly inflated the stock price beginning in July 1999. Instead, Plaintiffs offer only a conclusory statement that such inflation occurred. In doing so, Plaintiffs attempt to prove loss causation without ever showing that the company made material misrepresentations that affected the market, like those present in *Greenberg*.[85] It is insufficient to establish loss causation simply by proving that the stock price declined after negative news, like that of a fourth quarter charge, was released.

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[85] *Greenberg*, 364 F.3d at 661.

Second, confirmatory positive statements do not actually affect the market.[86] The class period began on June 3, 1999. Plaintiffs allege that Halliburton's stock price was inflated in July 1999, without identifying a specific cause for that inflation. Any inflation could likely have been caused by an alleged misrepresentation made before the class period. To establish loss causation, Plaintiffs must cite actual misrepresentations made during the class period that were not confirmatory.[87]

Even if the Court were to look only at the 1999 Annual Report, the *only* alleged falsehood cited by Plaintiffs is in the fine print about accounting practices which had appeared in a prior financial statement, that "[a]ll known or anticipated losses on contracts are provided for currently." That is a "classic example[s] of confirmatory information."[88] Here, nothing in the record explains in what manner the language in the 1999 Annual Report is materially different from statements in any of Halliburton's previous financial statements with regards to misrepresenting Halliburton's accounting practices. The additional language in the 1999 Annual Report does not significantly alter the nature of the assurances found in the 1998 Annual Report, or in other prior financial statements. The comparison is analogous to false public announcements about the interoperability of routers that were present in *Greenberg*.[89]

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[86] *Id.* at 665-66.

[87] *See id.*

[88] *Flowserve*, 245 F.R.D. at 571.

[89] *See Greenberg*, 364 F.3d at 660.

Plaintiffs have not shown loss causation for a third critical reason: the alleged corrective disclosure on December 21 does not "specifically reveal" to the market any misrepresentation or fraud that may have appeared in Halliburton's prior financial statements.[90] On December 21, 2000, Halliburton issued a press release stating that $95 million of its $120 million fourth quarter loss was attributable to cost overruns. In *Flowserve*, Judge Boyle rejected the plaintiffs' argument that a failure to meet earnings forecasts rendered previous statements about historical financials internal auditing controls fraudulent.[91] While it is possible for the fraud to be revealed to the market indirectly, the plaintiff must make such a showing in the loss causation analysis.[92]

Halliburton's loss in the fourth quarter of 2000 does not establish loss causation without proof of a revelation of fraud by Halliburton or an indirect revelation of fraud to the market.[93] Halliburton's disclosure does not directly reveal a fraud; the disclosure reiterates that Halliburton had believed that collection of the cost overruns was probable and states that external factors, such as labor unrest in Venezuela and Africa, had contributed to the losses.

Where fraud is revealed to the market *indirectly*, plaintiffs must show that the market recognized a relationship between the disclosure and

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[90] *See id.* at 666.
[91] *Flowserve*, 245 F.R.D. at 578-79.
[92] *Id.* at 579.
[93] *See id.* at 578-79.

the indirectly-revealed fraud.[94] In this case, the Plaintiffs must demonstrate that the market recognized a relationship between the December 21, 2000 disclosure of the $120 million fourth quarter charge, attributed to cost overruns and labor unrest, and the 1999 Annual Report that stated:

> All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers for extra work or changes in the scope of work are included in revenue when collection is deemed probable.

Plaintiffs make no such showing here. There is no evidence that the market perceived a relationship between this fourth quarter charge and the new language in the 1999 Annual Report. Plaintiffs offer no evidence that Halliburton did not believe it was complying with proper accounting practices, nor do Plaintiffs contend that the market recognized such evidence and linked it to the December 21, 2000 disclosure, or to the 1999 Annual Report. Plaintiffs merely ask the Court to infer fraud from Halliburton's substantial fourth quarter charge.[95] This the Court cannot do.

The Plaintiffs' argument is simply a nuanced version of the "true financial condition" argument that Judge Boyle rejected in *Flowserve*.[96] Plaintiffs argue that Halliburton's financial statements, in the

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[94] *Id.*

[95] *See Oscar*, 487 F.3d at 271.

[96] *Flowserve*, 245 F.R.D. at 573.

aggregate, misrepresented the true financial condition of the company and that the announcement of a fourth quarter loss served as a corrective disclosure of the company's true financial health. However, Plaintiffs cannot establish loss causation merely by pointing to lower financial projections and then concluding without proof that Halliburton's previous revenue statements were fraudulent. The burden of proving loss causation cannot be satisfied with such "well-informed speculation."[97]

The Fifth Circuit has made plain that securities fraud suits are not an "insurance policy for investors," whereby Plaintiffs can simply "surmise[] what the market knew . . . with the benefit of hindsight and from the comfort of a litigation armchair."[98] In light of the failure of Plaintiffs to satisfy their burden on loss causation, class certification is denied with respect to the accounting methodology claim.

III. The Dresser Merger

Plaintiffs argue that in early 1998, Halliburton misstated the benefits of its acquisition of Dresser Industries, in order to inflate the price of Halliburton stock. Plaintiffs cite four disclosures as correcting the inflation caused by the alleged misstatements regarding Dresser, each addressed in greater detail below. First, on October 4, 1999, "Halliburton unexpectedly warned that its 1999

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[97] *Oscar*, 487 F.3d at 271.

[98] *Id.* at 574.

third-quarter earnings would be less than the previous estimates," caused in part by the lower than expected profits from the Dresser business units. Second, on January 5, 2000, two investment analysts lowered their estimates of Halliburton's annual earnings for 2000 and 2001, caused in part by "less powerful synergies from the Dresser merger." Third, on October 24, 2000, Halliburton CEO Lesar told analysts in a conference call that Halliburton planned a massive restructuring in light of operational problems and management inefficiencies caused by the Dresser merger. Fourth, Halliburton officially unveiled the restructuring plan on December 21, 2000, the same day it announced that it expected to incur a $120 million dollar charge in the fourth quarter of 2000, $95 million of which was attributed to accounting claims adjustments. The remaining $25 million in losses was attributed to the costs of reorganization after the Dresser merger.

A. October 4, 1999 Disclosure

Plaintiffs have not established loss causation with respect to the October 4, 1999 disclosure because the underlying alleged misrepresentations are confirmatory and thus not actionable.[99] Plaintiffs point to statements made on July 22, 1999, and September 13, 1999, in which Halliburton executives estimated annualized savings of $500 million from the Dresser merger, as misrepresentations that actually moved the market.

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[99] *See Greenberg*, 364 F.3d at 665-66.

Defendants correctly argue that these alleged misrepresentations were confirmatory, and thus not actionable, because on March 1, 1999, prior to the class period, Halliburton stated that: "[c]osts from the merger and the downturn in activity should yield over $500 million by the end of 1999..." An efficient market will not "double-count" the effects of a confirmatory positive statement, and inflate the stock price twice.[100] Plaintiffs argue that the March 1999 statement does not render the later statements confirmatory because it encompassed the Dresser integration as well as a "downturn," and thus did not *solely* address the Dresser merger.

The Court is not persuaded that the March 1999 statement and the later alleged misrepresentations about the Dresser merger are materially different such that the market would respond to the later statements about saving $500 million after it already responded to the March 1999 statement. Plaintiffs have provided no evidence that the content of the March 1999 statement would have caused the market to respond twice to the same information about cost savings, just because it also noted a "downturn" when identifying the source of the $500 million savings. Thus, Plaintiffs cannot establish loss causation with respect to this issue because the actionable misrepresentations are confirmatory in nature.

Also, while Plaintiffs argue that attributing the savings to the Dresser merger alone somehow changed the market's perception of the Dresser

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[100] *Flowserve*, 245 F.R.D. at 568.

merger, the alleged corrective disclosure also reveals nothing *fraudulent* about the statements.[101] Nettesheim states in her report that "[t]his is an instance where the Company released negative news, which concerned the lack of benefits arising from the Dresser merger." However, the mere release of negative information is simply not enough to prove that the previous positive statements were fraudulent. Plaintiffs cannot establish loss causation by speculating about fraud. A failure to meet earnings estimates does not show to the market the existence of a fraudulent scheme.[102] Since there is no evidence supporting an inference of fraud, and because the alleged misrepresentations were confirmatory in nature, the Court will not certify the class based on the October 4, 1999 disclosure.

B. January 5, 2000 Corrective Disclosure

The Court rejects class certification with respect to this disclosure because Plaintiffs again fail to show loss causation. Plaintiffs rely on two analysts' reduction of Halliburton's earnings estimates on January 5, 2000, in alleging loss causation for the stock decline that occurred that particular day. Plaintiffs allege that "[l]ooking behind the analysts' conclusions to the underlying data, Ms. Nettesheim concluded that 'a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected

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[101] *See Greenberg*, 364 F.3d at 666.

[102] *Flowserve*, 245 F.R.D. at 579 (distinguishing such statements as negative rather than corrective disclosures).

investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger." Plaintiffs rely on the "July and September misrepresentations" which this Court in its earlier analysis found to be confirmatory and thus not actionable. Plaintiffs point to no misrepresentations in particular following the October 4, 1999 disclosure. Halliburton correctly argues that "[t]he first step is to isolate the alleged actionable, nonconfirmatory misstatements." However, in this case Plaintiffs argue that the analysts' downgrading of Halliburton stock amounts to a new corrective disclosure without identifying any actionable misrepresentation.

Plaintiffs rely on the reports of two analysts: Carol Lau of Brown Brothers Harriman & Co., and K. Simpson of Merrill Lynch. K. Simpson attributed his downward adjustment to "reduced expectations for offshore construction results, a reduced growth estimate for oilfield spending outside North America, and less powerful synergies from the Dresser merger than... envisioned." Plaintiffs cite no statements by Lau explaining her adjustment, and rely only on the existence of the adjustment as evidence of a corrective disclosure.[103]

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[103] Nettesheim alludes to a "partial disclosure related to the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits realized from the Dresser merger as revealed in a conversation with analyst Carol Lau," but cites no source for or further information about this alleged conversation. The Court cannot establish a specific alleged misrepresentation or corrective disclosure without more.

Plaintiffs fail to establish loss causation with respect to this "disclosure." First, Plaintiffs fail to cite any actionable misrepresentation that correlates to it.[104] Plaintiffs cannot establish loss causation without such a showing. Instead, Plaintiffs rely on the same confirmatory statements that were supposedly corrected by the October 4, 1999 disclosure. However, Plaintiffs cannot establish loss causation by citing confirmatory information. Just as Plaintiffs' argument fails with respect to the October 4, 1999 disclosure, it also fails here.

Additionally, Plaintiffs do not cite any public release as correcting a misrepresentation, but rather point only to the analysts' adjusting their own earlier estimates of Halliburton's earnings. The Court cannot determine whether this "disclosure" specifically revealed a fraudulent scheme because Plaintiffs provided limited evidence about why these analysts changed their forecasts, and no evidence that the market perceived these adjustments as evidence of prior fraud.[105]

In *Oscar*, the court rejected the plaintiffs' approach of relying solely on analysts' opinions to show that a specific disclosure corrected a prior misrepresentation.[106] The *Oscar* court required that the plaintiffs' expert make some sort of "empirically-based showing that the corrective disclosure was more than just present at the scene."[107] Plaintiffs

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[104] *See Greenberg*, 364 F.3d at 666.

[105] *See id.*

[106] *Oscar*, 487 F.3d at 261.

[107] *Id.*

argue that in this case the two analysts' adjustments of their financial estimates prove that there must have been a corrective disclosure somewhere.

Plaintiffs offer no evidence of a fraudulent scheme, as required by *Oscar*. Plaintiffs cannot even claim to have the "well-informed speculation" which the court rejected in *Oscar*.[108] In *Oscar*, the plaintiffs also relied solely on analyst opinions, but the analyst commentary in *Oscar* at least provided concrete examples of disclosures that could potentially be perceived as corrective by the market.[109]

Plaintiffs simply speculate that Simpson's earnings adjustment was due to the Dresser merger. Although Simpson mentioned the Dresser merger as one of three reasons for his adjustment, Plaintiffs make no effort to distinguish between the Dresser issue and the two other reasons for the adjustment.[110] Nettesheim concedes that she did not distinguish between the effects of Simpson's concerns regarding oilfield spending and those regarding the Dresser merger. Furthermore, Nettesheim admits, "I do not have Simpson's breakout of his reduction of 2000 and 2001 earnings estimates between the segments..." As a result, Nettesheim failed to differentiate between not only the stated reasons for the rating cut, but also failed to account for long-term versus short-term

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[108] *Id.*

[109] *Id.* at 270 (the analysts revealed that the company adjusted the line count between billing and order management platforms).

[110] *See Greenberg*, 364 F.3d at 666.

adjustments to the earnings estimates in her analysis. This approach falls well short of Oscar's requirement that the Plaintiffs' expert make an empirically-based showing that the corrective disclosure was more than just present at the scene.[111]

The *Oscar* court's admonition that the class certification decision "bears due-process concerns for... [the] defendants" is especially pertinent here.[112] There, the court explained, "an empirical inquiry into loss causation better addresses these [due process] concerns than an impenetrable finding akin to a reasonable man assessment. And analyst speculation about materiality, while better informed than a layman, more closely resembles the latter."[113] This Court cannot simply infer loss causation without, at the very least "reference to... post-mortem data [the analysts] have reviewed or conducted" to support the determination, in this case, that Simpson's earnings adjustment was due to the Dresser merger. To hold otherwise would result in exactly the type of "impenetrable finding" the Fifth Circuit has warned against.

Simply put, Plaintiffs' burden of identifying corrective disclosures is not satisfied by citing the mere existence of an earnings adjustment by outside analysts. Analysts unaffiliated with Halliburton could have previously overestimated Halliburton's performance, and then a subsequent modification

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[111] *See Oscar*, 487 F.3d at 261.
[112] *Id.* at 271.
[113] *Id.*

would certainly not qualify as a corrective disclosure. Once more, Plaintiffs attempt to trigger the presumption of reliance by simply offering evidence of a decrease in price following the release of negative information,[114] without citing any actionable misrepresentation or disclosure by Halliburton. Plaintiffs' reliance on the decline in Halliburton's stock price after analysts reduced their forecasts does not establish loss causation.

C. October 24, 2000 Corrective Disclosures

Plaintiffs have not established loss causation with respect to the October 24, 2000 disclosure. Unlike the prior disclosure, Plaintiffs satisfy the Greenberg requirement by identifying what they allege to be a prior misstatement.[115] Plaintiffs cite a letter from Dick Cheney included in the 1999 Annual Report, released in April 2000, which told investors that "[t]he merger with Dresser Industries is now behind us. The potential rewards to our shareholders are vast." Then on October 24, 2000, Lesar stated that Halliburton planned to restructure its construction operations due to operational problems, management inefficiencies, and excessive costs related to the Dresser merger.

However, Plaintiffs fail to establish loss causation because nothing in the alleged corrective disclosure "specifically reveal[s]" to the market any

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[114] *See Greenberg*, 364 F.3d at 665.

[115] *See id.* at 666.

fraudulent scheme.[116] Cheney's statement that the Dresser merger was "behind us" is not proven fraudulent based only on the fact that Halliburton restructured its construction operations six months later. Just as a failure to meet earnings expectations does not reveal misstatements in previous financial documents, a failure to meet business expectations will not reveal that prior optimistic expectations were *fraudulent*. Indeed, it is entirely possible that six months after the announcement of the completion of the Dresser acquisition, Halliburton executives realized that the business units were not functioning as well as anticipated. The burden falls on Plaintiffs to show that Lesar's statement communicated to the market that Cheney's previous statement about the Dresser merger was fraudulent, in order to prove loss causation. Because Plaintiffs fail to make such a showing, they have not established loss causation with respect to the October 24, 2000 disclosure.

D. December 21, 2000 Disclosure

Plaintiffs allege that Halliburton's official unveiling of its Dresser restructuring plan on December 21, 2000, the same day it announced that it expected to incur a $120 million dollar charge in the fourth quarter of 2000, constitutes an actionable corrective disclosure. The disclosure blamed $95 million of the loss on cost overruns on fixed-price contracts, leaving $25 million attributable to the expected costs of the Dresser reorganization.

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[116] *Id.*

Plaintiffs have not established loss causation with respect to this disclosure. The announcement of the expected costs of reorganization did not "specifically reveal[]" to the market any fraudulent scheme.[117] The announcement of the loss attributable to restructuring is entirely consistent with Halliburton's October 24, 2000 statement that it planned to restructure. Despite Plaintiffs' claim that Halliburton "again surprised the market," Nettesheim recognized that the announcement "does not appear to have been a surprise or a concern to analysts as some charge was expected after the Company announced the restructuring plan in its third quarter earnings conference call."

The market will not "double-count" the negative effects of a restructuring plan that had already been made public. Plaintiffs do not argue that the formal announcement of the plan further changed the market's perception of Halliburton or that the expected cost of the restructuring had previously been fraudulently misrepresented. Any inflation in the value of Halliburton's stock price caused by Cheney's alleged misrepresentation would have been removed by the initial disclosure of the planned restructuring in October 2000.

Additionally, the expected cost of the restructuring qualifies as a negative, as opposed to a *corrective* disclosure. The release of negative information to the market does not necessarily have a corrective effect. The information about the cost of restructuring did not *correct* any previously released

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[117] *See Greenberg*, 364 F.3d at 666.

information; it was simply negative information relating to the costs of the Dresser merger. In fact, this information actually comported with and elaborated upon Halliburton's prior disclosure that it planned to restructure the Dresser business units.

Because the announcement of the costs of restructuring confirmed the market's prior knowledge that Halliburton was planning to restructure, this announcement cannot support a finding of loss causation. Any corrective effect upon the price of Halliburton stock would have occurred with the disclosure on October 24, 2000, not with the formal confirmation two months later. Therefore, the Court will not certify a class with respect to the December 21, 2000 disclosure.

CONCLUSION

Plaintiffs have failed to establish loss causation with respect to any of the three issues in this lawsuit. For that reason, the Court will not certify the class. The Court reiterates that the Fifth Circuit has placed an extremely high burden on plaintiffs seeking class certification in a securities fraud case. Even though the Court finds that all other elements required for class certification under Rule 23 have been met in this case, it is unable to certify the class because of Plaintiffs failure to meet this stringent loss causation requirement.

SO ORDERED.

Signed this 4th day of November, 2008.

/s/ Barbara M.G. Lynn
BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS

Case No. _____

IN THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., ET AL., ON BEHALF OF ITSELF AND ALL OTHERS SIMILARLY SITUATED,

PETITIONERS,

V.

HALLIBURTON COMPANY, ET AL.,

PETITIONEES.

On Petition for Permission to Appeal
from the United States District Court
for the Northern District of Texas
No. 3:02-CV-1152-M (Lynn, J.)

LEAD PLAINTIFF'S PETITION FOR PERMISSION TO APPEAL THE DISTRICT COURT'S NOVEMBER 4, 2008 ORDER DENYING LEAD PLAINTIFF'S MOTION TO CERTIFY CLASS

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CERTIFICATE OF INTERESTED PERSONS

No. _____

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., ET AL.

v.

HALLIBURTON CO, ET AL.

Pursuant to Fifth Circuit Local Rule 27.5, Petitioner hereby certifies that the following is a list of all parties who have an interest in the outcome of this suit:

The Archdiocese of Milwaukee Supporting Fund, Inc., Petitioner
Colonel Ben Alan Murphey, Petitioner

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Pursuant to FED. R. CIV. P. 23(f) and FED. R. APP. P. 5, Lead Plaintiff brings this Petition for Permission to Appeal the District Court's November 4, 2008, Order Denying Lead Plaintiff's Motion to Certify of Class (hereinafter "Order").[1]

I. INTRODUCTION

In *Oscar Private Equity Investors v. Allegiance Telecommunications, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007) (hereinafter "*Oscar*"), this Court held that "loss causation must be established at the class certification stage." In this case, the District Court denied Lead Plaintiff's motion for class certification solely because it felt constrained to do by *Oscar*, which the trial court held imposed an "extremely high burden on plaintiffs seeking class certification in a securities fraud case." Order at 37. Applying *Oscar*, the District Court effectively required Lead Plaintiff to prove its case at the class certification stage. This misreading of *Oscar* precludes many—if not all—securities class actions. This Court should grant Lead Plaintiff's petition for interlocutory appeal to clarify the novel and unsettled question of how to conduct a loss causation analysis at the class certification stage, before fact discovery is complete, and reverse the lower court's erroneous denial of class certification.

II. FACTUAL BACKGROUND

This is a securities class action brought on behalf of all people and entities that purchased

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[1] A copy of the District Court's November 4, 2008 Order is attached as Tab A to Lead Plaintiff's Appendix.

common stock of Halliburton Company ("Halliburton") between and including June 3, 1999, and December 7, 2001 (the "Class Period"). The Fourth Consolidated Amended Complaint[2] alleges that during the Class Period Defendants violated §§ 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78a *et seq.*, by deliberately falsifying Halliburton's financial results and deliberately and/or recklessly misleading the public about the financial condition and success of Halliburton's businesses, including its construction operations, the benefits of its acquisition of Dresser, Inc., the extent of its exposure to asbestos liability, and its future business and financial prospects.

On September 17, 2007, Lead Plaintiff filed its class certification motion. Defendants filed their response on November 16, 2007, and Lead Plaintiff filed its Reply on December 21, 2007 (hereinafter, "Reply").[3] A hearing was held on the Motion on March 21, 2008. On November 4, 2008, the District Court issued an order denying Plaintiffs' Motion to Certify, and explained:

> The sole issue in dispute is the application of the requirement that, in a securities fraud action, loss causation be proven at the class certification stage. Absent this requirement, the Court would certify the class. However, having considered the parties' extensive briefing, oral argument, and the applicable

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[2] A copy of the Fourth Amended Consolidated Complaint is attached as Tab C to Lead Plaintiff's Appendix.

[3] A copy of Lead Plaintiff's Reply is attached as Tab B to Lead Plaintiff's Appendix.

> law, the Court is of the opinion that Plaintiffs have not demonstrated loss causation as to any of their claims.

Order at 1 (footnote omitted). The court declared that it was required to enforce an "exceedingly high burden on Plaintiffs at an early stage in the litigation[.]" *See id.* at 3. The court "reiterate[d] that the Fifth Circuit has placed an extremely high burden on plaintiffs seeking class certification in a securities fraud case," *id.* at 37, but said it was "bound to follow the Fifth Circuit's precedent." *Id.* at 4.

III. QUESTION PRESENTED

The question presented is whether the District Court erred in denying the Lead Plaintiff's Motion for Class Certification because it improperly applied the loss causation analysis required by *Oscar*. In the alternative, the question is whether the holding in *Oscar* as to loss causation should be clarified or modified or whether District Court's decision is clearly erroneous.

IV. RELIEF SOUGHT

Lead Plaintiff requests permission to immediately appeal the District Court's November 4 Order. Ultimately, Lead Plaintiff seeks an order from this Court reversing the District Court's erroneous Order, and either certifying the proposed class or remanding this case for further proceedings.

V. AUTHORIZATION AND JUSTIFICATION FOR INTERLOCUTORY APPEAL

Under FED. R. CIV. P. 23(f), "[a] court of appeals may permit an appeal from an order granting or denying class-action certification ... if a petition for permission to appeal is filed with the circuit court within 10 days after the order is entered." While "[t]he court of appeals is given unfettered discretion whether to permit the appeal," the Advisory Committee notes to Rule 23(a) indicate that "[p]ermission is most likely to be granted when the certification decision turns on a novel or unsettled question of law, or when, as a practical matter, the decision on certification is likely dispositive of the litigation." FED. R. CIV. P. 23(f) Advisory Committee Notes, 1998 Amendments. The Fifth Circuit has previously applied these factors to grant a request to appeal a class certification decision under Rule 23(f). *See Regents of Univ. of Cal. v. Credit Suisse First Boston (USA), Inc.*, 482 F.3d 372, 380 (5th Cir. 2007). Some circuits also allow interlocutory review where the certification decision is "clearly erroneous." *See, e.g., Chamberlan v. Ford Motor Co.*, 402 F.3d 952, 959 (9th Cir. 2005); *In re Lorazepam & Clorazepate Antitrust Litig.*, 289 F.3d 98, 105 (D.C. Cir. 2002); *Newton v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 164 (3d Cir. 2001).

In this case, the criteria set forth in the Advisory Committee notes are met, and the decision is also clearly erroneous. *Oscar* requires district courts to conduct a loss causation analysis at the class certification stage, when little to no fact

discovery has been conducted. How this should be done is a novel, unsettled question of law, because the loss causation analysis was traditionally performed *after* fact discovery, and the Fifth Circuit has not clarified the *Oscar* holding or explained to the district courts how to conduct a loss causation analysis when fact discovery has not been completed. The result has been confusion among the trial courts, and an erroneous decision here, where the burden of proof on a plaintiff at class certification was conflated with the plaintiff's burden of proof at summary judgment. Requiring plaintiffs to meet summary judgment burdens of proof at the class certification stage without the benefit of discovery is a nearly impossible feat; indeed, such a requirement could effectively preclude securities class actions in the Fifth Circuit. Without any further guidance from the Court, the application of this new, unsettled standard by the district courts is likely to result in the issuance of other incorrect or inconsistent decisions.

In addition, the District Court's decision is, as a practical matter, dispositive of the litigation, as it is prohibitively expensive for Lead Plaintiff to proceed to final judgment on its individual claims. The decision is also clearly erroneous because it erroneously disregards much of Lead Plaintiff's evidence of loss causation. Since "[t]his is a legally and practically significant class certification decision," *see Regents of Univ. of Cal.*, 482 F.3d at 379, it is proper for the Court to allow the Lead Plaintiff to immediately appeal the District Court's order.

A. The District Court's Certification Decision Turns On a Novel or Unsettled Question of Law.

1. The proper application of *Oscar* presents a novel and unsettled question of law.

The proper standard to be applied in a loss causation analysis at the class certification stage is a novel and unsettled question of law. In denying Lead Plaintiff's motion, the District Court applied an improper loss causation analysis, holding that a plaintiff in a securities class action must prove the fraudulent intent behind a defendant's statements at the class certification stage. For instance, in discussing why Lead Plaintiff has failed to prove loss causation with respect to Halliburton's statement regarding its accounting methodology on its construction contracts, the Court notes that "Plaintiffs offer no evidence that Halliburton did not *believe* it was complying with proper accounting practices" when it made the original, allegedly-fraudulent statements regarding the applications of Halliburton's accounting policies. Order at 28 (emphasis added); *see* also *id.* at 10 ("Plaintiffs must provide actual evidence of an unlawful scheme which inflated the stock price."). Such holdings misinterpret *Oscar* and conflates the Plaintiff's burden at the class certification and summary judgment stages.

Oscar should not be interpreted as requiring a plaintiff to prove its case-in-chief at the class certification stage; instead, *Oscar* requires "plaintiffs

to establish loss causation in order to trigger the fraud-on-the-market presumption." *Oscar*, 487 F.3d at 265. In other words, in order to trigger a presumption of reliance in 10b-5 actions, a plaintiff must prove "that the misstatement *actually moved* the market." *Id.* (emphasis in original). Under *Oscar*, however, a plaintiff need not prove at the class certification stage that the initial positive statement was either false or fraudulent; rather, a plaintiff need only *plead* these allegations at this early stage in the litigation, and connect them to the corrective disclosure:

> In such multi-layered loss-causation inquiries, the legal standard, at least, is well established: *Greenberg* requires that plaintiffs prove "(1) that the negative 'truthful' information causing the decrease in price is related to an *allegedly* false, non-confirmatory positive statement made earlier and (2) that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline."

Id. at 266 (citing *Greenberg v. Crossroads Sys., Inc.*, 364 F.3d 657, 666 (5th Cir. 2004)) (emphasis added).

In its order, the District Court overlooks the fact that when the Court states in *Oscar* that it is "unwilling to infer loss causation without more," *id.* at 271, the Court was discussing the steps a plaintiff must take to adequately connect the corrective disclosure to the drop in stock price; the Court did not hold that a plaintiff must prove the fraudulent

intent behind the initial misrepresentation in order to obtain class certification. Yet the District Court cites this sentence from *Oscar* in support of that holding. For instance, Plaintiffs showed that the August 9, 2001, statement—Halliburton's second quarter 2001 10-Q in which Halliburton increased its reserves for asbestos liability from $60 million to $124 million only two weeks after the Company had publicly assured the public that its current reserves were adequate—was a corrective disclosure of a prior misstatement and was also the only news item that could explain the 5.2% company-specific stock price decline that day. Reply at 21. The Court, however, found Lead Plaintiff had not established loss causation because "Plaintiffs have not demonstrated that the August 9 disclosure *revealed a scheme* to inflate stock prices, as opposed to merely revealing a change in the circumstances." Order at 12. Accordingly, the Court concluded, it "'is unwilling to infer loss causation' from mere speculation of fraud." *Id.* In doing so, the District Court went beyond the requirements of *Oscar* by requiring the plaintiff to prove "*a scheme* to inflate stock prices," before discovery had even been conducted. *See id.*

The District Court also erred in relying on *Ryan v. Flowserve Corp.*, 245 F.R.D. 560 (N.D. Tex. 2007) (hereinafter "*Flowserve*"), which was decided at the summary judgment—and not class certification—stage. *Flowserve*, 245 F.R.D. at 567. The plaintiff in *Flowserve* was appropriately required to meet the burden of proof necessary to survive summary judgment. Since Lead Plaintiff did not have the benefit of this extensive discovery prior

to filing its Motion to Certify Class, Lead Plaintiff should not face, and *Oscar* should not be construed to impose, the same burden of proof as faced the plaintiff in *Flowserve* who was confronting a motion for summary judgment. The District Court's erroneous reliance on *Flowserve* is indicative of the unsettled nature of the new legal framework established in *Oscar*.

While the Court in *Oscar* claimed that the decision did not "improperly shift[] the burden[] from a defendant's right of rebuttal to a plaintiff's burden of proof," *Oscar*, 487 F.3d at 265, the District Court's interpretation of *Oscar* did just that. It required Lead Plaintiff to prove most of its claims prior to completing discovery. While Oscar raised the bar in securities class actions, it did not raise the bar this high.

In a further indication that application of *Oscar* involves a novel and unsettled question of law, the Court also misconstrued Fifth Circuit precedent to set an impossibly high standard for the linkage that is necessary to establish that a disclosure that corrects a prior misrepresentation (or omission) constitutes a corrective disclosure. For instance, the trial court repeatedly found corrective disclosures invoked by Lead Plaintiff did not constitute corrective disclosures because they did not "specifically reveal[]" any misrepresentation or fraud. *See, e.g.*, Order at 9, 27, 32, 35, 36 (*quoting Greenberg*, 364 F.3d at 666); *see also* Order at 19 ("If the release of negative information 'does not disclose the scheme [to drive up stock prices],' then the information 'cannot correct the artificial inflation

caused by the scheme.'"). Under that standard, almost nothing short of a confession would constitute a corrective disclosure.

Other district courts in the Fifth Circuit have issued opinions that conflict with the District Court's holding, underscoring the confusion in the district courts as to how to apply *Oscar*. These district courts have found that a plaintiff need only *allege* a previous fraudulent misrepresentation, not *prove* fraudulent intent, at the class certification stage. *See, e.g., In re OCA, Inc. Sec. & Derivative Litig.*, No. 05-2165, 2008 WL 4681369, at *10 (E.D. La. Oct. 17, 2008) ("disclosures [must] correct[] prior information *allegedly* misrepresented or omitted by defendants.") (emphasis added); *Flowserve*, 245 F.R.D. at 570 (plaintiff failed to "adequately demonstrate[e] the relation between the *alleged* fraud and the *alleged* corrective disclosures") (emphasis added); *In re Seitel, Inc. Sec. Litig.*, 245 F.R.D. 263, 278 (S.D. Tex. 2007) ("fraud-on-the-market plaintiffs must demonstrate actual movement/loss causation in a stock's price stemming from an *alleged* misrepresentation.") (second emphasis added).

District courts have also been inconsistent in their reliance on analyst reports in their loss causation analysis. For example, while the District Court in this case gave no weight to analyst reports in its order, *see* Order at 34 ("Simply put, Plaintiffs' burden of identifying corrective disclosures is not satisfied by citing the mere existence of an earnings adjustment by outside analysts."), another court in the same district has relied on them. *See, e.g., Fener v. Belo Corp.*, 560 F. Supp.2d 502, 506-07 (N.D. Tex.

2008) (analyst reports "undermine[d] plaintiff's contention" that multiple news pieces contained in one announcement were all related to the allegedly false, non-confirmatory positive statement previously made by the defendant). Analyst reports are helpful to elucidate the market reactions and the reasons the market moves, important components of the loss causation analysis, and it should be clarified when and to what extent it is appropriate to rely on them.

Given the gravity of this decision, its potential long-term implications, and the fact that the application of a loss causation analysis at the class certification is still an unsettled area of law, this Court should grant Lead Plaintiff's request for permission to appeal the District Court's order.

2. The Fifth Circuit's holding in *Oscar* marks a departure from the position taken by courts outside of the Fifth Circuit.

As many courts have recognized, *Oscar* marked a stark departure from the position taken by most courts outside the Fifth Circuit. *See, e.g., In re Nature's Sunshine Prod.'s Inc. Sec. Litig.*, 251 F.R.D. 656, 665 (D. Utah 2008) ("[T]he Fifth Circuit's decision in *Oscar* appears to be in conflict with Supreme Court and Tenth Circuit precedent which warn against determining the merits at the class certification stage."); *Lapin v. Goldman Sachs & Co.*, No. 04 Civ. 2236(RJS), 2008 WL 4222850, at *15 (S.D.N.Y. Sept. 15, 2008) ("Several courts in this District have expressly addressed the Fifth Circuit's

decision in *Oscar*, and all have rejected the notion that a showing of loss causation is a requirement at the class certification stage."); *Ross v. Abercrombie & Fitch Co.*, Nos. 2:05-cv-0819 *et al.*, 2008 WL 4059873, at *3 (S.D. Ohio Aug. 26, 2008) ("No other Court of Appeals, and no district court outside the Fifth Circuit, appears to have followed *Oscar*."); *Darquea v. Jarden Corp.*, No. 06 Civ. 722(CLB), 2008 WL 622811, at *4 (S.D.N.Y. Mar. 6, 2008) (noting that *Oscar* "is limited to the Fifth Circuit").

A number of courts have also held that *Oscar* misinterprets the Supreme Court's opinion in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988). *See, e.g.*, *Lapin*, 2008 WL 4222850, at *16 ("The Court agrees with the reasoning employed by the majority of courts in this District that have considered the issue, and finds that *Oscar* should be rejected as a misreading of *Basic*."); *In re Micron Techs., Inc. Sec Litig.*, 247 F.R.D. 627, 634 (D. Idaho 2007) ("It is unlikely that [*Oscar*] would be adopted in this Circuit because it misreads *Basic*."). Insofar as the trial court properly construed *Oscar*, Lead Plaintiff respectfully suggest *Oscar* was wrongly decided, and thus the Court should grant this petition to revisit its prior decision.

B. The District Court's Certification Decision Is, As a Practical Matter, Dispositive of the Litigation.

FED. R. CIV. P. 23(f) was implemented, in part, to assist in cases such as this, where "[a]n order denying certification . . . confront[s] the plaintiff with a situation in which the only sure path to appellate

review is by proceeding to final judgment on the merits of an individual claim that, standing alone, is far smaller than the costs of litigation." FED. R. CIV. P. 23(f) Advisory Committee Notes, 1998 Amendments.

In this case, the litigation costs of proceeding to final judgment would far outweigh the value of Lead Plaintiff's individual claims against the Defendants. Under the District Court's August 8, 2007, Scheduling Order, for instance, the Plaintiff and Defendants are each entitled to take up to 50 fact depositions. Given the complex nature of this case, Lead Plaintiff anticipates using all of its allotted depositions, most of which have not been used to date, to prove its claims. In addition, Lead Plaintiff has received over 620,000 pages of documents produced in discovery by Halliburton and approximately 22 non-parties who were subpoenaed for documents. Lead Plaintiff plans to seek additional documents. Considerable resources—attorney and staff time and a sophisticated computer database—are required to comprehensively review and analyze such a large volume of data. The costs of this project alone would almost certainly far exceed value of the Lead Plaintiff's claim.

C. The District Court's Decision Is Clearly Erroneous Because the District Court Erroneously Disregarded Plaintiff's Evidence of Loss Causation.

Interlocutory Appeal should also be granted here because the District Court's decision was

clearly erroneous. The District Court erroneously disregarded much of Lead Plaintiff's evidence of loss causation. For instance, in one of its claims, Lead Plaintiff argued that the market's reaction to Halliburton's corrective disclosure on October 30, 2001—in which Halliburton announced that on October 26, 2001, a Texas jury had returned a verdict of $150 million, of which Halliburton was liable for $21.3 million—was evidence of loss causation. Reply at 23-24. Just a week before, on October 23, 2001, Halliburton had announced its third quarter 2001 results, in which it boasted that the results were "outstanding" and "record" breaking. *Id.* at 22. That same day, Halliburton's president David Lesar publicly confirmed that "there have been no adverse developments at all with respect to the Harbison-Walker situation." *Id.* at 23 (emphasis removed). This statement was not true; in fact, on September 12, 2001, a jury had returned a $130 million verdict against Halliburton. In other words, Lesar's October 23, 2001, statement "falsely suggested to the marketplace that Halliburton's prospective asbestos liabilities were under control." Order at 15.

The District Court rejected this claim in part because Halliburton had previously disclosed in its Form 10-K filings that it "recognize[d] the uncertainties of litigation and the possibility that a series of adverse court rulings could materially impact the expected resolution of asbestos related claims." *Id.* at 15 n.51. This holding is clearly erroneous. If it were correct, a company representative could continuously and flagrantly mislead investors with impunity so long as some

protective boiler-plate language is buried somewhere in a public filing.

Similarly, the Court found Lead Plaintiff had not established loss causation as to a Dec. 7, 2001, company press release detailing recent adverse asbestos verdict and making clear that the $125 million in reserves, previously represented as "adequate," "prudent," and "conservative" were grossly inadequate. Order at 17-22. That release triggered a one-day decline of 42.7% in the stock price. Reply at 24-25. As the Court has found, such a drop in the stock price can in itself demonstrate loss causation. *See Greenberg*, 364 F.3d at 669 (holding that "news that a company's earnings will be 66% below estimates satisfies the plaintiffs burden").

The District Court also erroneously disregarded Lead Plaintiff's evidence of loss causation in its evaluation of Halliburton's fraudulent accounting practices. The District Court stated that the "*only* alleged falsehood cited by Plaintiffs is in the fine print about accounting practices which had appeared in a prior financial statement, that '[a]ll known or anticipated losses on contracts are provided for currently," and therefore concluded that the alleged misrepresentation was "confirmatory." Order at 26-27. That is incorrect. Plaintiffs showed that the 1999 report released during the class period announced a significant change in accounting practice and also represented to the market, *for the first time*, that $89 million of construction revenue was "probable" of collection in its 1998 revenue, and that another $98 million of

construction revenue was "probable" of collection in its 1999 revenue. Reply at 16-17. Plaintiffs also showed that in 2000, Halliburton continued to release additional, previously undisclosed revenue numbers that were inflated with construction revenue on unapproved claims the company had supposedly deemed "probable" of collection. *Id.* at 17. The District Court simply ignored this evidence. Accordingly, the District Court's conclusion that Lead Plaintiff failed to "distinguish[] the content and effect of the new language in the 1999 Annual Report from the 'known or anticipated losses' language found in the earlier financial statements," is clearly erroneous. Order at 26.

Plaintiffs also showed that these misrepresentations in the 1999 Annual Report and 2000 financial statements were revealed in the December 21, 2000, corrective disclosure, in which Halliburton "surprised the market by disclosing that it planned to take a charge of $12 million in the fourth quarter." Reply at 18. The District Court noted that Halliburton conceded in this disclosure that $95 million of this write-off was attributable to "uncollectible cost overrun claims," including "cost overruns on seven other projects [that] had not been resolved in Halliburton's favor, as was originally anticipated." Order at 23. However, the District Court is clearly erroneous in its conclusion that "[t]here is no evidence that the market perceived a relationship between this fourth quarter charge and the new language in the 1999 Annual Report," when the corrective disclosure cut to the heart of Halliburton's earlier assurance that its cost overruns were probable of collection. *See id.* at 28. As stated

above, to establish loss causation at class certification, Plaintiffs do not have to present "evidence that Halliburton did not believe it was complying with proper accounting practices" as the District Court improperly required. *Id.*

Given these clearly erroneous holdings by the District Court, this Court should permit Lead Plaintiff to immediately appeal the District Court's order. An appeal on the merits would allow the Lead Plaintiff to address other aspects of the District Court's Order and demonstrate why it should be reversed.

CONCLUSION

For the foregoing reasons, Lead Plaintiff respectfully requests that the Court grant Lead Plaintiff's Petition for Permission to Appeal the District Court's November 4, 2008, Order Denying Lead Plaintiff's Motion to Certify Class.

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IN THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., ET AL., ON BEHALF OF ITSELF AND ALL OTHERS SIMILARLY SITUATED,

PETITIONERS,

V.

HALLIBURTON COMPANYAND DAVID J. LESAR,

RESPONDENTS.

On Petition for Permission to Appeal
from the United States District Court
for the Northern District of Texas
No. 3:02-CV-1152-M (Lynn, J.)

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RESPONDENTS.

CERTIFICATE OF INTERESTED PERSONS

The undersigned counsel of record certifies that the following listed persons and entities as described in the fourth sentence of Rule 28.2.1 have an interest in the outcome of this case. These representations are made in order that the judges of this court may evaluate possible disqualification or recusal.

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I. Introduction.

The District Court's denial of class certification properly applies established law to the particular facts of this case. Although the class certification decision is likely dispositive of this litigation, which began more than six years ago,[1] the Petition mischaracterizes the current state of the law, the record supporting the District Court's decision, and the decision itself. Halliburton Company and David Lesar (collectively, "Halliburton") respond to the Petition as follows.

II. The District Court Followed Established Fifth Circuit Precedent.

A. Loss Causation Is A Predicate To Class Certification In A Securities Fraud Case.

Petitioner Archdiocese of Milwaukee Supporting Fund, Inc. ("AMSF") does not contest that *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007), requires that plaintiffs prove loss causation as a prerequisite to class certification in a securities fraud case. AMSF also concedes that the legal standard for showing loss causation has been "well established" since at least the Court's decision in *Greenberg v. Crossroads Sys., Inc.*, 364 F.3d 657, 666 (5th Cir. 2004). In the District Court, AMSF acknowledged

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[1] *See* Fed. R. Civ. P. 23(f) 1998 advisory committee's note (noting that a request for permission to appeal is proper "when, as a practical matter, the decision on certification is likely dispositive of the litigation").

this precedent without protesting it, but nonetheless failed to satisfy the established requirements.

Oscar recognizes that class certification confers substantial advantages by. facilitating an "extraordinary aggregation of claims" and "bestows upon plaintiffs extraordinary leverage." *Oscar*, 487 F.3d at 267. To obtain the benefit of this advantage, class plaintiffs bear the burden to satisfy the requirements of Rule 23, including that common questions predominate. *Unger v. Amedisys*, 401 F.3d 316, 321 (5th Cir. 2005). In a securities fraud case, class certification depends on a presumption of reliance arising from the fraud on the market theory. Absent that theory, individual reliance issues would predominate and preclude class certification. As a result, *Oscar* requires that, before a court grants the "*in terrorrem* power of certification," class plaintiffs must prove loss causation, and the court must find by a preponderance of the evidence that the alleged misrepresentations "actually moved the market." *Oscar*, 487 F.3d at 265, 267.

B. AMSF Did Not Demonstrate Loss Causation.

The District Court did not "misread[]" or "improperly appl[y]" the law. Pet. at 1, 3. In fact, this case illustrates the rationale underlying the legal requirements in securities fraud class actions generally and this Court's decision in *Oscar* in particular. AMSF sought to certify a class of hundreds of thousands of persons who purchased

Halliburton stock during a class period that spans two-and-a-half years.[2]

Notably, in seeking class certification AMSF did not contend that any of the alleged misrepresentations caused an increase in Halliburton's stock price. In fact, AMSF's expert demonstrated that not a single alleged misrepresentation during the class period had a statistically significant impact on the stock price.[3] AMSF also did not allege that Halliburton restated its financial statements during the class period or made any other corrections that revealed falsity in a specific prior misstatement. Instead, AMSF's Complaint is premised on a patchwork of company announcements of various information that, according to AMSF's expert, the market perceived negatively. AMSF groups these statements—which it characterizes as corrective disclosures—into three broad and unrelated topics: (1) Halliburton's potential liability in asbestos litigation; (2) its accounting for construction-contract claims that were in the process of being negotiated with customers; and (3) the success of its acquisition of Dresser Industries, Inc. See Pet. at 2.

Although Halliburton's stock price dropped following the announcements identified by AMSF, that fact alone cannot justify a presumption of

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[2] The class period begins June 3, 1999, when Halliburton's stock price was near its 52 week high, and ends December 7, 2001, when the stock hit an over seven-year low, and just before it began a six-month rally.

[3] AMSF's App. to Mot. for Class Cert. 18-22 (Nettesheim Report 40-45) (Dist. Ct. Docket No. 341).

reliance. To rule otherwise would "transform a private securities action into a partial downside insurance policy." *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336, 347-48 (2005). Accordingly, Oscar requires AMSF to demonstrate that "the misstatement actually moved the market." *Oscar*, 487 F.3d at 265.

Where, as here, the plaintiffs rely on a price drop rather than price inflation, they must first demonstrate that "the negative 'truthful' information causing the decrease in price is related to an allegedly false, non-confirmatory positive statement made earlier." *Id.* at 266 (quoting *Greenberg*, 364 F.3d at 666). Plaintiffs must also show "that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline." *Id.* (emphasis added).

Following *Oscar* and *Greenberg*, the District Court analyzed in detail each of the statements that AMSF contends were corrective disclosures to determine (i) whether they were related to previous, actionable and non-confirmatory statements during the class period, and, if so, (ii) whether the evidence linked the stock price decline to the corrective disclosure rather than other negative information simultaneously released. With respect to each alleged corrective disclosure, the District Court correctly found AMSF's proof wanting for one or more of four different reasons.

First, the District Court found that AMSF had failed to relate alleged corrective disclosures to

alleged misrepresentations.[4] With respect to the asbestos issue, for example, the District Court found that "Plaintiffs do not actually link any alleged misrepresentations with the four [subsequent] asbestos disclosures." Op. at 7-8. The District Court reiterated that:

> Plaintiffs do not identify specific statements that were revealed to be fraudulent by these corrective disclosures. Importantly, it is the misrepresentations themselves, not the corrective disclosures, which form the basis of a valid securities fraud claim. . . . Unless actionable statements, which were later corrected, are identified, Plaintiffs cannot establish loss causation. Op. at 8.

Similarly, with respect to allegations relating to accounting practices for construction contracts, the District Court found that AMSF had failed to "identify any specific misrepresentations that correlate to" the alleged corrective disclosure. Op. at 7-8. For this reason, among others, AMSF failed to prove loss causation:

> While *Nathenson* held that a plaintiff may rely on a decline in the stock price following a corrective disclosure to establish loss causation, *Greenberg* clarified that a plaintiff must still show the existence of earlier misrepresentations that actually moved the market. Thus, when relying on a decline in

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[4] AMSF concedes that it was required to allege positive, false statements and "connect them to the corrective disclosure." Pet. at 7.

> stock price, Plaintiffs must still relate the disclosure causing the fall to an earlier misrepresentation that was corrected by the disclosure. Op. at 23-24 (footnote omitted).

Second, the District Court also found that, even assuming a sufficient relationship between the alleged misrepresentations and the alleged corrective disclosures, many of the alleged misrepresentations "were confirmatory, and thus not actionable."[5] For example, class period statements that Halliburton's nerger with Dresser would achieve an estimated $500 million in cost savings were repetitive of prior statements and therefore not actionable. Op. at 30. "[C]onfirmatory information has already been digested by the market and will not cause a change in stock price." *Greenberg*, 364 F.3d at 665-66. "Because the presumption of reliance is based upon actual movement of the stock price, confirmatory information cannot be the basis for a fraud-on-the-market claim."[6] *Id.* at 666.

Third, the District Court found the vast majority of the alleged disclosures were not corrective; they did not "reveal that Halliburton made an initial false statement" or "reveal to the

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[5] See Op. at 20, 23-24, 30, 32-33, 36-37.

[6] The District Court also noted that AMSF "commingled evidence of inflation of the stock price during the class period with impermissible evidence of inflation of the stock price prior to the class period." Op. at 24. In other words, in its attempt to link corrective disclosures with misrepresentations, AMSF failed to distinguish between alleged misstatements during the class period and alleged pre-class period statements, which could not be actionable, because, among other reasons, they were time barred.

marketplace the truth of the alleged misrepresentation." Op. at 10, 14. With respect to these disclosures, the District Court observed that, "Plaintiffs ignore the distinction between negative and corrective disclosures." Op. at 16.[7] *See Greenberg*, 364 F.3d at 666 (positive and negative statements are related when the latter "specifically revealed" the truth).

Fourth, with respect to alleged disclosures that included multiple pieces of negative news, the District Court found that AMSF failed to show that the market reacted to the alleged corrective information as opposed to the new, negative information unrelated to previous alleged misstatements. Op. at 20, 33-34.

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[7] AMSF points to an August 9, 2001 statement in which Halliburton announced that it was increasing reserves for asbestos liabilities. Pet. at 7-8. AMSF presents the adjustment as an increase "to $124 million– over twice the $60 million that only two weeks prior, the Company had assured investors would be adequate." Pet. at 8. That is a mischaracterization of the record. Halliburton had not stated two weeks earlier that $60 million was an adequate amount for *total* reserves. Rather, Halliburton had estimated that it would increase its then-existing reserves by $60 million (in *after-tax* dollars) due to additional claims against a former subsidiary that had asked Halliburton for financial assistance. AMSF's Fourth Consolidated Compl. ¶ 175 (Dist. Ct. Docket No. 246); *see also* Halliburton's App. to Resp. to Mot. for Class Cert at 117 (June 28, 2001 Press Release) (Dist. Ct. Docket No. 346). Consistent with the earlier estimate, the August 9 disclosure referenced total reserves for both Halliburton and the former subsidiary of $124 million (in *pre-tax* dollars). Halliburton's App. to Resp. to Mot. for Class Cert at 103 (Halliburton June 2001 10-Q) (Dist. Ct. Docket No. 346). The August disclosure does not indicate that the previous estimate was false, (which it was not), and the later disclosure is therefore not corrective.

Expressly applying Oscar and Greenberg to the record in this case, the District Court found that "Plaintiffs have not demonstrated loss causation as to any of their claims." Op. at 1. The District Court's reasoning is neither "novel" nor "clearly erroneous." Pet. at 1, 3, 6. If the Court permits AMSF to appeal, full briefing will confirm that each of the District Court's findings comports with the evidentiary record.

C. The District Court Did Not Impose Improper Burdens On AMSF.

Selectively quoting excerpts of the Opinion out of context, AMSF erroneously contends that the District Court "misinterpret[ed] *Oscar*." Pet. at 6. Contrary to AMSF's contention, the District Court held neither (1) "that a plaintiff in a securities class action must prove the fraudulent intent behind a defendant's statements at the class certification stage" nor (2) that plaintiffs must prove that corrective disclosures make a "confession" of fraud. Pet. at 6, 10. Reading the Opinion, which never requires proof of "intent," "scienter," or a "confession," disproves these contentions. The District Court's comments from the bench during the class-certification hearing also belie AMSF's position. *See, e.g.*, March 21, 2008 Tr. at 48-49, 90-91 ("I think the issue of lights flashing, we committed fraud, is gone. I don't think [Halliburton is] contending that, and I don't think that's the law either.").

Read in context, the excerpts AMSF cites refer to the requirement to relate alleged corrective

disclosures to alleged non-confirmatory misrepresentations in order to distinguish between merely negative information and information that corrects a prior false statement by revealing the truth. In line with Fifth Circuit precedent, the District Court repeatedly explained that loss causation requires a showing that the stock price dropped because of the "'revelation of the truth and not the release of [] unrelated negative information.'" Op. at 5 (quoting *Greenberg*, 364 F.3d at 665), 12, 20.[8]

The District Court also did not err by referencing the thorough analysis in *Ryan v. Flowserve Corp.*, 245 F.R.D. 560 (N.D. Tex. 2007), a case AMSF cited frequently in its class certification motion as stating the applicable standards. Although AMSF now dismisses *Flowserve* as having been decided at "the summary judgment . . . stage," Pet. at 8, in fact the court in that case first denied a

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[8] AMSF made no attempt to link any potentially actionable statement to any alleged "corrective" disclosure revealing the falsity of the prior statement. *See, e.g.*, Op. at 7-8 ("Plaintiffs do not actually link any alleged misrepresentations with the four asbestos disclosures"); 23 ("Nettesheim simply did not identify any specific misrepresentations that correlate to the December 21, 2000 disclosure"); 32 ("Plaintiffs argue that the analysts' downgrading of Halliburton stock amounts to a new corrective disclosure without identifying any actionable misrepresentation"). AMSF failed to supply the necessary link, and the District Court found no evidence of a nexus between the alleged disclosures and prior fraud. *See, e.g.*, Op. at 16 ("The market did not perceive the revelation of the verdict as evidence of prior fraud."); 21 ("Plaintiffs do not cite any analyst reports or other information indicating that the market perceived the December 7, 2001 disclosure as revealing fraud, rather than just delivering bad news.").

class certification motion, finding the absence of loss causation by a preponderance of the evidence. Flowserve, 245 F.R.D. at 570. The court then separately resolved a summary judgment motion against the individual plaintiffs. *Id.* at 577-82.

Nor did the District Court "require plaintiffs to meet summary judgment burdens of proof." Pet. at 5. The District Court correctly stated and applied the preponderance-of-the-evidence standard established in *Oscar*. *Oscar*, 487 F.3d at 269.

The District Court also correctly noted that its ruling could be made by "drawing largely from publicly available data thereby leaving minimal need for discovery." Op. at 3 (footnote omitted). This accords with *Oscar*:

> Little discovery from defendants is demanded by the fraud-on-the-market regimen. Its "proof' is drawn from public data and public filings, as in this case.

Oscar, 487 F.3d at 267. AMSF's repeated complaint that it did not have the benefits of discovery prior to filing its class certification motion is therefore legally irrelevant. It is also factually incorrect.[9] As

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[9] This class action lawsuit was commenced in the Northern District of Texas on June 3, 2002. In 2004, the parties moved for approval of a settlement, which the District Court denied after several proposed class members, including AMSF, objected. AMSF became the lead plaintiff in the case on May 3, 2005, and moved for class certification on September 17, 2007. Halliburton produced hundreds of thousands of documents to the plaintiffs in 2006. In the summer 2007, AMSF served requests for document production, in response to

in *Flowserve*, the class certification motion here was decided on "volumes of papers." *Flowserve*, 245 F.R.D. at 567. The appendices submitted in support of the motion and in response total well over 1000 pages. AMSF never asked for additional discovery to make the requisite loss-causation showing.

The District Court did not impose improper burdens on AMSF. Instead, properly applying governing law, the District Court correctly held that AMSF failed to establish loss causation.

III. District Courts Are Not Confused Or Conflicted Regarding Loss Causation Proof.

Far from demonstrating "confusion among the trial courts," or "inconsistent decisions," Pet. at 5, a review of district court opinions applying *Oscar* shows harmony as to the applicable legal principles. As in this case, both *Flowserve* and *In re Seitel, Inc. Sec. Litig.*, 245 F.R.D. 263 (S.D. Tex. 2007), found that Oscar precluded class certification because the evidence failed to demonstrate that the alleged misrepresentations caused any actual movement in the stock price. *Flowserve*, 245 F.R.D. at 569; *Seitel*, 245 F.R.D. at 278.

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which Halliburton offered for inspection hundreds of thousands of additional documents. AMSF admits receiving more than 600,000 pages of documents from Halliburton and more than 20 non-parties. Pet. at 13. After the class certification motion was filed, both sides conducted discovery connected to the motion, including depositions of expert witnesses.

In the only other district court case AMSF cites for its argument, *In re OCA Inc. Sec. and Derivative Litig.*, Civil Action No. 05-2165, 2008 WL 4681369 (E.D. La. Oct. 17, 2008), the court granted a joint motion to approve a class for settlement purposes. In that case, the company had announced that it had restated its financial statements due to the discovery of material errors. The stock price fell 38%, the company was delisted, and a bankruptcy petition was filed. There was no dispute that the announcement was a corrective disclosure, and the evidence showed that no other negative information could have caused the stock price decline. By contrast, in this case, Halliburton did not restate its financial statements, and the District Court properly held that the disclosures were not corrective.

There is also no confusion among the district courts as to the form of proof that may show loss causation. The *Oscar* decision gives appropriate guidance on this issue, particularly where the plaintiff relies on a stock price drop following the announcement of multiple negative items, only some of which are alleged to be corrective. In those circumstances, "analyst speculation about materiality . . . without more" is insufficient to support a loss causation finding.[10] *Oscar*, 487 F.3d

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[10] There is no conflict among district courts regarding the weight to be afforded analyst opinions. In this case, AMSF argued that two analysts downgraded their earnings estimates for Halliburton on January 5, 2000, and that these analysts' reports represented a corrective disclosure following which the stock price declined. The District Court found that these reports were not related to any alleged actionable misrepresentation. Op. at 31. In addition, the District Court

at 271. The Court further recognized that an "event study" or other "empirically- based showing" may be sufficient, but only if it links the stock price movement to the "culpable disclosure," as opposed to "an entire bundle of negative information." *Id.*

Like the plaintiff in *Oscar*, AMSF proffered the testimony of an expert who purportedly conducted an event study. Among other things, AMSF's expert failed to relate the alleged corrective disclosures to actionable misrepresentations. In fact, the expert admitted that she did not "match[] particular prior statements to disclosures."[11] Additionally, AMSF's expert did not isolate any negative effect flowing from the revelation of the

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found that nothing in the analysts' reports or AMSF's expert's reports provided empirical evidence that the market perceived a correction of a prior misstatement. The District Court observed that AMSF's reliance on the analyst reports was even weaker than the *Oscar* plaintiffs' reliance because the analyst reports in *Oscar* "at least provided concrete examples of disclosures that could potentially be perceived as corrective." Op. at 33.

The court in *Fener v. Belo Corp.*, 560 F. Supp.2d 502 (N.D. Tex. 2008), denied class certification after finding that the single announcement on which the plaintiffs' claim rested consisted of three pieces of information, only one of which related to the alleged misrepresentation. Plaintiffs had made no attempt to address any of the three news items individually, the expert's event study failed to target the corrective disclosure, and plaintiffs therefore failed to show that the stock decline was attributable to the corrective information. In discussing the evidence, the court noted *Oscar*'s distinction between analyst commentary and empirical evidence. *Id.* at 507-08.

[11] Halliburton's App. to Resp. to Mot. for Class Cert. at 50 (Nettesheim Dep. 121) (Dist. Ct. Docket No. 346).

alleged corrective disclosures, as opposed to new and unrelated negative information that was announced simultaneously. *See, e.g.*, Op. at 17, 20-21.

IV. Conclusion.

Halliburton responds to the Petition because it disagrees that the District Court misinterpreted or misapplied *Oscar*. The District Court recognized the "high burden" on plaintiffs at the class-certification stage due to "'the extraordinary leverage bestowed upon plaintiffs with certification' and carefully applied the loss causation standard. Op. at 3-4 (citing *Oscar*, 487 F.3d at 266-67). Halliburton does not dispute, however, that the District Court's decision is, "as a practical matter . . . likely dispositive of the litigation." Fed. R. Civ. P. 23 (f) 1998 advisory committee's note. For that sole reason, AMSF's Petition is proper and, if granted, provides a procedural basis for affirming the District Court's sound ruling on immediate appeal.

Respectfully submitted

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United States Court of Appeals
Fifth Circuit

FILED
February 12, 2010

Charles R. Fulbruge III
Clerk

IN THE UNITED STATES COURT OFAPPEALS

FOR THE FIFTH CIRCUIT

No. 08-00040

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC, On Behalf of Itself and All Others Similarly Situated,

Plaintiff - Petitioner

v.

HALLIBURTON COMPANY; DAVID J LESAR,

Defendants – Respondents

- - - - - - - - - - - - - - - -

Petition for Leave to Appeal
under Fed. R. Civ. P. 23(f)

- - - - - - - - - - - - - - - -

Before DAVIS, GARZA, and PRADO, Circuit Judges.

PER CURIAM:

IT IS ORDERED that the petition for leave to appeal under Fed. R. Civ. P. 23(f) is GRANTED.

IN THE UNTED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHIDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., on Behalf of Itself and all Other Similarly Situated,	§	Civil Action No. 3:02-CV-1152-M
Lead Plaintiff,	§	
v.	§	
HALLIBURTON COMPANY, et al.,	§	
Defendants.	§	

ORDER

This case is hereby **STAYED** pending the Fifth Circuit's decision on the Plaintiffs' interlocutory appeal of the Court's order denying class certification. All pretrial deadlines which have not already expired are hereby **SUSPENDED**. The pretrial conference, set for July 2, 2009, at 9:00 a.m., is hereby **CANCELLED**.

SO ORDERED.

DATED: June 9, 2009.

/s/ Barbara M.G. Lynn
BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS

IN THE UNITED STATES COURT OFAPPEALS
FOR THE FIFTH CIRCUIT

United States Court of Appeals
Fifth Circuit

FILED
February 12, 2010

Charles R. Fulbruge III
Clerk

No. 08-11195

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC, On Behalf of Itself and All Others Similarly Situated,

Plaintiff-Appellant

v.

HALLIBURTON CO; DAVID J. LESAR,

Defendants-Appellees

Appeal from the United States District Court
For the Northern District of Texas

Before REAVLEY, CLEMENT, and SOUTH WICK, Circuit Judges.

REAVLEY, Circuit Judge:

The Archdiocese of Milwaukee Supporting Fund, Inc. filed this putative securities fraud class action as lead plaintiff against Halliburton Company and David Lesar, the Chief Operating Officer and

then CEO during the class period, alleging violations of sections 10(b) and 2 0(a) of the Securities Exchange Act of 1934 and Securities Exchange Commission Rule 10(b)-5. The district court denied the Plaintiff's motion for class certification under FED R. CIV. P. 23, and Plaintiff appeals that order. Finding no abuse of discretion by the district court, we AFFIRM the denial of class certification.

I.

This is a private securities fraud-on-the-market case. Under the fraud-on-the-market theory, it is assumed that in an efficient, well-developed market all public information about a company is known to the market and is reflected in the stock price. When a company has publicly made material misrepresentations about its business, we may presume that a person who buys the company's stock has relied on the false information. The stockholder then suffers losses if the falsity becomes known and the stock price declines. *See Basic Inc. v. Levinson.*[1] It is the response of the market to the correction that proves the effect of the false information and measures the plaintiff stockholder's loss.

Plaintiff here claims that Halliburton made false statements about three areas of its business: (1) Halliburton's potential liability in asbestos litigation, (2) Halliburton's accounting of revenue in its engineering and construction business, and (3) the benefits to Halliburton of a merger with Dresser

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[1] 485 U.S. 224, 246–47, 108 S. Ct. 978, 991–92 (1988).

Industries. It contends that investors lost money when Halliburton issued subsequent disclosures correcting the false statements and the market declined following the negative news. In order to obtain class certification on its claims, Plaintiff was required to prove loss causation, i.e., that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in the losses.[2]

The district court denied class certification because it found that Plaintiff failed to prove this causal relationship. We review the district court's certification decision for an abuse of discretion, but we review de novo the legal standards employed by the district court. *Fener v. Operating Eng'rs Constr. Indus. & Miscellaneous Pension Fund (Local 66)*.[3] Plaintiff contends that the district court applied an erroneous standard for loss causation and required it to prove more than is required under law. Our review of the district court's order and the evidence leads us to conclude, however, that the district court

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[2] Plaintiff contends that our precedent, specifically the requirement of *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007), that class plaintiffs prove loss causation at the class certification stage, is contrary to Supreme Court and sister circuit precedent. Plaintiff may not assail *Oscar* as wrongly decided, as we are bound by the panel decision. *See Soc'y of Separationists, Inc. v. Herman*, 939 F.2d 1207, 1211 (5th Cir. 1991) ("In this circuit, one panel may not overrule the decision, right or wrong, of a prior panel in the absence of an intervening contrary or superseding decision by the court en banc or the Supreme Court.").

[3] 579 F.3d 401, 406 (5th Cir. 2009).

fully understood loss causation under our precedent and correctly applied the legal standard. As we explain, the district court's decision was well supported and was not an abuse of discretion.

II.

Before discussing the Plaintiff's specific allegations against Halliburton, we first set forth the appropriate framework for a private securities fraud case and consider the district court's application of that framework. A securities fraud claim under § 10(b) of the Securities Exchange Act and Rule 10b-5 requires a plaintiff to show (1) a material misrepresentation (or omission); (2) scienter; (3) a connection with the purchase or sale of a security; (4) reliance; (5) economic loss; and (6) loss causation. *Dura Pharms., Inc. v. Broudo*.[4] In the case of a putative class, a plaintiff may create a rebuttable presumption of reliance under the fraud-on-the-market theory by showing "that (1) the defendant made public material misrepresentations, (2) the defendant's shares were traded in an efficient market, and (3) the plaintiffs traded shares between the time the misrepresentations were made and the time the truth was revealed." *Greenberg v. Crossroads Sys., Inc.*[5] A defendant may rebut the presumption "by '[a]ny showing that severs the link between the alleged misrepresentation and either

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[4] 544 U.S. 336, 341-42, 125 S. Ct. 1627, 1631 (2005).

[5] 364 F.3d 657, 661 (5th Cir. 2004)

the price received (or paid) by the plaintiff, or his decision to trade at fair market price [.]'"[6]

Here, the parties contest only the alleged misrepresentations and do not dispute the efficiency of the market or Plaintiff's trading activity. In order to take advantage of the fraud-on-the-market presumption of reliance, Plaintiff must prove that the complained-of misrepresentation or omission "materially affected the market price of the security." *Alaska Elec. Pension Fund v. Flowserve Corp.*[7] In other words, Plaintiff must show that an alleged misstatement "actually moved the market."[8] Thus, "we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption."[9] And we require this showing "at the class certification stage by a preponderance of all admissible evidence."[10]

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[6] *Id.* at 66 1–62 (quoting *Basic*, 485 U.S. at 248, 108 S. Ct. at 992).

[7] 572 F.3d 221, 228 (5th Cir. 2009) (quotation and citation omitted).

[8] *Oscar*, 487 F.3d at 265.

[9] *Id.*

[10] *Id.* at 269. Although Plaintiff *must* establish loss causation at the certification stage, the court *may* examine the issue at a variety of stages during the course of the litigation. *See Fener*, 579 F.3d at 407 ("A court can examine loss causation at the pleadings stage, the class certification stage, on summary judgment, or at trial.") (footnotes omitted).

The district court explicitly recognized the need for Plaintiff to establish a causal link between the alleged falsehoods and its losses in order to invoke the fraud-on-the market presumption. *See Nathenson v. Zonagen, Inc.*[11] The court also correctly recognized that the causal connection between an allegedly false statement and the price of a stock may be proved either by an increase in stock price immediately following the release of positive information, or by showing negative movement in the stock price after release of the alleged "truth" of the earlier falsehood.[12] Plaintiff here relies only on stock price decreases following allegedly corrective disclosures by Halliburton.

That being the case, the district court correctly noted that Plaintiff has an added burden because it is not enough merely to show that the market declined after a statement reporting negative news.[13] We must bear in mind that the main concern when addressing the fraud-on-the-market presumption of reliance is whether allegedly false statements actually inflated the company's stock price.[14] By relying on a decline in price following a

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[11] 267 F.3d 400, 413 (5th Cir. 2001) (Loss causation is "a direct causal link between the misstatement and the claimant's economic loss.") (internal quotation marks and citation omitted).

[12] *See Greenberg*, 364 F.3d at 665.

[13] *See id.* (holding that plaintiffs must do more than "simply offer[] evidence of any decrease in price following the release of negative information").

[14] *Id.*

corrective disclosure as proof of causation, a plaintiff need prove that its loss resulted directly *because* of the correction to a prior misleading statement; otherwise there would be no inference raised that the original, allegedly false statement caused an inflation in the price to begin with.[15] In other words, the decline in price following a corrective disclosure must raise an inference that the price was actually affected by earlier alleged misrepresentations.[16] We therefore require plaintiffs to show that a loss occurred from the decline in stock price because the truth "'ma[de] its way into the marketplace,'" rather than for some other reason, such as "a result of 'changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions,' or other factors independent of the fraud."[17] Similarly, if a company releases multiple items of negative information on the same day, the plaintiff must establish a reasonable likelihood that a subsequent decline in stock price is due to the revelation of the truth of the earlier misstatement rather than to the release of the unrelated negative

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[15] *Id.*

[16] *See Nathenson*, 267 F.3d at 415 (stating that "where the facts properly considered by the district court reflect that the information in question did not affect the price of the stock then the district court may properly deny fraud-on-the-market based recovery").

[17] *Flowserve*, 572 F.3d at 229 (quoting *Dura*, 544 U.S. at 342–43, 125 S. Ct. at 1627).

information.[18] In this way, the plaintiff must satisfy the court that its loss likely resulted from the specific correction of the fraud and not because of some independent reason. A subsequent disclosure that does not correct and reveal the truth of the previously misleading statement is insufficient to establish loss causation.[19]

Causation therefore requires the Plaintiff to demonstrate the joinder between an earlier false or deceptive statement, for which the defendant was responsible, and a subsequent corrective disclosure that reveals the truth of the matter, and that the subsequent loss could not otherwise be explained by some additional factors revealed then to the market.[20] This requirement that the corrective disclosure reveal something about the deceptive nature of the original false statement is consistent with liability in a securities fraud action, where it is those who affirmatively misrepresent a material fact

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[18] *Greenberg*, 364 F.3d at 665.

[19] *See Flowserve*, 572 F. 3d at 230 (holding that "to establish loss causation this disclosed information must reflect part of the 'relevant truth'–the truth obscured by the fraudulent statements").

[20] *See Greenberg*, 364 F.3d at 662 (noting that loss causation may be proved from a "decrease in price following the revelation of the misleading nature of these [prior] statements") (discussing *Nathenson*, 267 F.3d at 414); id. at 665 ("To raise an inference through a decline in stock price that an earlier false, positive statement actually affected a stock's price, the plaintiffs must show that the false statement causing the increase was related to the statement causing the decrease.").

affecting the stock price that are held responsible for losses.[21]

It is also necessary "that the earlier positive misrepresentation not be confirmatory."[22] Confirmatory information is already known to the market and, having been previously digested by the market, will not affect the stock price.[23]

After surveying our precedent, the district court correctly summed up Plaintiff's burden in this case by stating that because Plaintiff presented no evidence that a false, non-confirmatory positive statement caused a positive effect on the stock price, Plaintiff would have to show "(1) that an alleged corrective disclosure causing the decrease in price is *related* to the false, non-confirmatory positive statement made earlier, and (2) that it is *more probable than not* that it was this related corrective disclosure, and not any other unrelated negative

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[21] *See Dura*, 544 U.S. at 344, 125 S. Ct. at 1632–33 (noting that in private securities fraud actions, which have common-law roots, "a person who 'misrepresents the financial condition of a corporation in order to sell its stock' becomes liable to a relying purchaser 'for the loss' the purchaser sustains 'when the facts . . . become generally known' and 'as a result' share value 'depreciate[s].'") (quoting RESTATEMENT (SECOND) OF TORTS §548A cmt. b) (emphasis added).

[22] *Greenberg*, 364 F.3d at 666.

[23] *Id.*

statement, that caused the stock price decline."[24] This was the correct standard.[25]

III.

Plaintiff argues that the district court misapplied our precedent, however, because it incorrectly required Plaintiff to prove actual fraud at the class certification stage. Plaintiff asserts that this requirement runs afoul of our recent decision in *Flowserve*.[26] We do not agree with the Plaintiff's reading of *Flowserve* or its characterization of the district court's opinion.

In *Flowserve*, certain alleged misstatements by the defendant concerned projected earnings guidance released in October 2001 for the company's

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[24] *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, No. 3:02-CV-1152, 2008 WL 4791492, at *3 (N.D. Tex. Nov. 4, 2008) (emphasis in original) (internal quotation marks and citation omitted).

[25] The district court's statement of the Plaintiff's burden was nearly identical to the standard we announced in *Greenberg*. *See Greenberg*, 364 F.3d at 666 (stating that plaintiffs must prove "(1) that the negative 'truthful' information causing the decrease in price is related to an allegedly false, non-confirmatory positive statement made earlier and (2) that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline").

[26] *See Flowserve*, 572 F.3d at 230 (rejecting as incorrect defendant's theory that "a fraud causes a loss only if the loss follows a corrective statement that specifically reveals the fraud").

fiscal year 2002. The subsequent alleged corrective disclosures were downward revisions to the earnings guidance released in July and September 2002. The defendant argued that the standard for loss causation required plaintiffs to show a "fact-for-fact" disclosure that fully corrected prior misstatements, which had not occurred in either of the alleged corrective disclosures.[27] We rejected that approach, but we also insisted that plaintiffs need to show more than that a subsequent disclosure reveals the defendant's true financial condition.[28] We held that the disclosure "must reflect part of the 'relevant truth'–the truth obscured by the fraudulent statements."[29] The *Flowserve* court found erroneous the district court's belief that the defendant's revised earnings guidance in July and September 2002 was not relevant to any prior alleged misrepresentations, and we therefore reversed the district court's denial of class certification.[30]

But *Flowserve* did not eliminate the requirement at class certification that plaintiffs must prove the corrective disclosure shows the misleading or deceptive nature of the prior positive statements.[31] We have previously explained that the

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[27] *Id.* at 229.

[28] *Id.* at 230.

[29] *Id.*

[30] *Id.* at 231.

[31] *See Greenberg*, 364 F.3d at 662.

"relevant truth" necessary in an alleged corrective disclosure is such that "the truth disclosed must simply make the existence of the actionable fraud more probable than it would be without that alleged fact (taken as true)." *Lormand v. US Unwired, Inc.*[32] When confronted with allegedly false financial predictions and estimates, the district court must decide whether the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud. As we held in *Flowserve*, "[i]f [Plaintiff] cannot prove by a preponderance of the evidence that the market learned more than that [Defendant's] earnings guidance was lower and so its business seemed less valuable, it cannot establish that its loss was caused by [Defendant's] misstatements . . . ."[33] Thus, the truth revealed by the corrective disclosure must show that the defendant more likely than not misled or deceived the market with earnings misstatements that inflated the stock price and are actionable. Otherwise, the misstatements would do little more than "touch upon" the alleged loss rather than cause the loss.[34]

We are satisfied that the district court here understood the need for the corrective disclosures to

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[32] 565 F.3d 228, 256 n.20 (5th Cir. 2009).

[33] *Flowserve*, 572 F.3d at 232.

[34] *See Dura*, 544 U.S. at 343, 125 S. Ct. at 1632 (holding that it is insufficient for a misrepresentation to merely "touch upon" a later economic loss because "[t] o 'touch upon' a loss is not to cause a loss").

reveal the actionable truth about prior misstatements.[35] The district court correctly stated that "[i]mportantly, it is the misrepresentations themselves, not the corrective disclosures, which form the basis of a valid securities fraud claim. . . . Unless actionable statements, which were later corrected, are identified, Plaintiffs cannot establish loss causation."[36] The court went on to conclude that Plaintiff largely failed to identify disclosures that had a *corrective* effect linked to a specific misrepresentation, as opposed to simply a *negative* effect, and that many of the alleged corrective disclosures constituted confirmatory information. We therefore conclude that the district court did not apply an incorrect legal standard, and we turn to the specific statements and corrective disclosures alleged in Plaintiff's complaint.

IV.

Plaintiff contends that it has identified specific misrepresentations by Halliburton and linked those misrepresentations to partial corrective disclosures. It asserts that the allegations of its

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[35] Plaintiff challenges statements in the district court's decision that Plaintiff had not identified a disclosure specifically revealing fraud. We recognize that a plaintiff need not prove at the class certification stage intentional fraud by the defendant. *See Flowserve*, 572 F.3d at 230. But reading the entirety of the Flowserve opinion, we conclude that a plaintiff still must prove that the defendant is responsible for the error of the misrepresentation. We read the district court's decision to say no more.

[36] *Archdiocese of Milwaukee Supporting Fund*, 2008 WL 4791492, at *5.

complaint together with the report of its expert, Jane Nettesheim, demonstrated that those disclosures are related to the misrepresentations and proximately caused its losses. Upon examining the alleged corrective disclosures and the evidence, we remain unpersuaded.

Plaintiff relies on three general categories of alleged misstatements by Halliburton made during a class period of June 3, 1999, to December 7, 2001. The first category of statements concerns Halliburton's exposure to liability in asbestos litigation and the company's stated reserves for such litigation. The allegedly corrective statements were made in press releases and SEC filings on June 28, 2001, August 9, 2001, October 30, 2001, and December 4–7, 2001.

Halliburton's asbestos liability derived from its 1998 merger with Dresser Industries and from a former subsidiary of Dresser known as Harbison-Walker Refractories Company. As of May 2001, Halliburton reported that its reserves were approximately $30 million to cover asbestos-related liability. On June 28, 2001, Halliburton reported in a press release that Harbison-Walker had asked Halliburton to provide financial assistance for asbestos claims that Harbison- Walker had previously agreed to assume when it spun off from Dresser in 1992. The release reported that this was a new development, as Harbison-Walker had previously reaffirmed its responsibility for those claims. Halliburton reported in the press release that in response it would need to increase its asbestos reserves by $50 million to $60 million, after

tax. On August 9, 2001, Halliburton filed a Form 10-Q with the SEC reporting that its asbestos reserves were $124 million. On October 30, 2001, Halliburton announced in a press release that a Mississippi jury had returned a plaintiff's verdict in an asbestos suit on October 26, 2001, for which Halliburton was responsible for $21.3 million. Then on December 4 and 7, 2001, Halliburton reported in a SEC filing and press release additional judgments against Dresser in other asbestos cases. Halliburton's stock price declined following each of these statements. Plaintiff contends that the filings and press releases related directly to and corrected Halliburton's previous misrepresentations that its asbestos reserves were adequate. We find no merit to this contention.

The June 28, 2001, press release does not correct any specific misrepresentation by revealing a previously obscured truth.[37] Nowhere in the release is there any mention of prior asbestos reserve estimates, and Plaintiff makes no argument that Halliburton made prior statements about exposure from claims related to Harbison-Walker.[38] At most,

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[37] *See Flowserve*, 572 F.3d at 230.

[38] *See Greenberg*, 364 F.3d at 667 (holding that an allegedly corrective disclosure was not related to prior allegedly false reports on the speed of new routers where the disclosure "makes no reference to increased router speed"); id. at 668 (holding that an alleged corrective disclosure reporting problems with third quarter earnings was not related to prior statements about first or second quarter earnings where the disclosure made "no reference at all" to the first and second quarters).

the release relates to prior estimates that asbestos reserve levels were adequate generally, but it does not correct a specific prior alleged misstatement.[39] Just as merely lowering earnings estimates does not reveal that a defendant previously misrepresented those estimates, merely raising the asbestos reserves does not show that those prior reserve estimates were intentionally misleading—the market must learn more than that Halliburton's business was potentially less valuable because of erroneous estimates of asbestos liability.[40] We agree with the district court that the situation could be different if Plaintiff had alleged that Halliburton previously stated it was including Harbison-Walker claims in its asbestos reserve estimates but actually did not do so, or if Halliburton had previously stated it had no exposure from Harbison-Walker claims and that it would not cover them, when in fact that was not true. Instead, Plaintiff asks us to draw an inference that the June 28, 2001 press release corrected prior allegedly false estimates of asbestos reserves merely because those reserves changed. But a company is allowed to be proven wrong in its estimates, and we can discern no indication from the June 28, 2001 press release that Halliburton's prior asbestos

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[39] *See, e.g., Nathenson*, 267 F.3d at 419 (rejecting as inadequate plaintiff's allegations that "suffer[ed] from a lack of required specificity . . . in pin-pointing the particular misleading statement (other than general statements that the Phase III results were 'positive')").

[40] *See Flowserve*, 572 F.3d at 232.

reserve estimates were misleading or deceptive.[41] It follows that the June 28, 2001 press release was not an actionable corrective disclosure.

The same is true for the August 9, October 30, and December 4–7, 2001 SEC filings and press releases. Although Halliburton reported a much larger reserve for the asbestos litigation on August 9, this information was actually confirmatory because Halliburton had previously reported that it would need to increase its reserves by an additional amount of approximately $60 million, *after tax*. The August 9, 2001 Form 10-Q reported, consistent with Halliburton's prior statements, that the company "recorded as discontinued operations . . . an accrual of $92 million ($60 million, after tax)."

The announcements of various jury verdicts were also not actionable corrections. As noted by the district court, Halliburton actually repeated in a series of public filings the warning about "the uncertainties of litigation and the possibility that a series of adverse court rulings could materially impact the expected resolution of asbestos claims." We are not moved by Plaintiff's suggestion that these warnings, which appeared in at least five of Halliburton's 10-K and 10-Q filings, constituted

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[41] *See id.* at 232 ("Flowserve was free to be wrong in its October 2001 earnings guidance and even for such error to cause investors loss when it was revealed in July and September 2002–so long as Flowserve did not commit fraud. Only if Flowserve's October 2001 guidance (or another alleged misstatement) was fraudulent would any loss it caused Alaska be actionable.").

mere boilerplate disclaimers of the risks associated with litigation.[42]

Neither the announcement of the Mississippi verdict nor the verdicts in other states demonstrated that Halliburton's previous estimates of asbestos liability obscured the relevant truth about the asbestos estimates.[43] While Plaintiff cites news reports about the asbestos verdicts and has shown that Halliburton's stock price reacted to the negative news, a decline in price following negative news does not prove loss causation.[44] We see in the evidence concerning the asbestos litigation a pattern of Halliburton keeping the market abreast of asbestos developments as they occurred and its necessary

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[42] *See Rubinstein v. Collins*, 20 F.3d 160, 167–68 (5th Cir. 1994) (while not dispositive per se, cautionary language is relevant to materiality of predictive statements as basis for securities fraud claim).

[43] Plaintiff contends that the disclosure of the Mississippi verdict exposed the falsity of estimates of asbestos liability in part because one analyst wrote that "[t]his jury award sets new precedents; the size of the award is enormous." However, rather than show that Halliburton's previous statements obscured the truth about asbestos exposure, this analyst's statement appears to confirm the unexpected nature of a precedent-setting jury verdict. The district court noted that another analyst, cited in the report of Plaintiff's expert, also supported the perception by the market that the verdict was a surprise rather than a revelation of a falsehood. That analyst stated, "[w]e expect a vigorous defense by [Halliburton] and remain optimistic that the asbestos liability will remain under control."

[44] *See Greenberg*, 364 F.3d at 665.

adjustments to the litigation reserves. We think this undermines any conclusion that the asbestos-related statements corrected prior misrepresentations or that the company acted with deception.

V.

We reach a similar conclusion with respect to the second and third group of alleged public misrepresentations by Halliburton. These alleged misrepresentations concern the benefits to Halliburton of its merger with Dresser Industries, and the company's accounting of revenue from cost-overruns on fixed-price construction and engineering contracts (so-called unapproved claims). The alleged corrective disclosures occurred on October 4, 1999, January 5, 2000, October 24, 2000, and December 21, 2000.

Halliburton announced on October 4, 1999, that it was selling its interest in two Dresser joint ventures and that it expected its third quarter earnings to be less than previously expected, due in part to lower than expected profits from joint ventures and other business units of the Dresser group. On January 5, 2000, two analysts reduced their earnings estimates for Halliburton after discussions with company executives. According to Plaintiff, the October announcement and the analyst reports exposed the inaccuracy of Halliburton's previous positive statements about merging with Dresser, particularly statements in July and September 1999 that Halliburton expected annualized cost savings of $500 million from the merger.

Even if it were possible to say that the prior statements were more than erroneous expectations, both the October 4, 1999 announcement and the analyst reports contained multiple pieces of negative news. This required Plaintiff to "demonstrate that there is a reasonable likelihood that the cause of the decline in price is due to the revelation of the truth and not the release of the unrelated negative information."[45] This showing of loss causation is a "rigorous process" and requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement.[46]

Plaintiff's expert failed to do this. The October 4, 1999 announcement reported that the Dresser Equipment Group was experiencing lower than expected profits; that there had been a decline in the downstream engineering and construction business segment; and that the earnings of the energy services group would be flat or only slightly higher because of low spending levels by energy industry customers. As a result of these items, the release then reported lower guidance on Halliburton's third quarter earnings per share. Nettesheim indicated in her expert report that the decline in Halliburton's stock price following the October 4, 1999 release was due to the reduction in the earnings guidance and

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[45] *Greenberg*, 364 F.3d at 665.

[46] *Fener*, 579 F.3d at 410–11; *see also Oscar*, 487 F.3d at 271 ("[T]he plaintiffs must, in order to establish loss causation at this stage, offer some empirically-based showing that the corrective disclosure was more than just present at the scene.").

recognized that the lower guidance in turn was based on more than one factor. When questioned about the report, however, Nettesheim testified that she did not perform any statistical or econometrical analyses of the three different pieces of information in the release because she was not asked to do so. Nettesheim's report indicated that her conclusions were based on statements from "news commentary and analysts." We have characterized such evidence as merely "well-informed speculation."[47]

Similarly, the January 2000 analyst reports indicated that the earnings estimate was reduced because of "less powerful synergies from the Dresser merger" *and* because of reduced expectations for offshore construction and a reduced growth estimate for oilfield spending. Although she recognized that the reports included non-culpable information, especially the decline in oilfield spending, Nettesheim presented no empirically-based evidence to show that news related to Dresser more probably affected the stock price than the other negative information.[48]

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[47] *Oscar*, 487 F.3d at 271 (rejecting as insufficient to show loss causation "the raw opinion of analysts, without supporting study of the market at issue–such as now common use of basic principles of econometrics"). Nettesheim testified in her deposition that she could have performed a more refined analysis and had done so in other cases.

[48] *See Fener*, 579 F.3d at 409; Greenberg, 364 F.3d at 666.

Plaintiff also argues generally that several alleged corrective disclosures demonstrated the falsity of former CEO Dick Cheney's statement about Dresser that "[t]he merger with Dresser Industries is now behind us" and "[t]he potential rewards to our shareholders are vast." We think, however, that this statement, appearing in a letter in Halliburton's 1999 Annual Report, is the kind of "generalized positive statement[] about a company's progress [that is] not a basis for liability."[49]

Turning to alleged misstatements about Halliburton's accounting methodology, Plaintiff contends that Halliburton improperly recorded cost-overruns in fixed-price construction contracts as revenue by misleadingly deeming the cost-overruns "probable" of collection, even if a customer had not agreed to pay the additional amount. Plaintiff argues that Halliburton revealed the falsity of its previous accounting methods when (1) it announced on October 24, 2000, that it would undertake a massive restructuring of its construction business and (2) it announced on December 21, 2000, that it would take a fourth quarter charge of $120 million as a result of the restructuring.

Plaintiff fails to show these announcements corrected any prior misleading statements and revealed deceptive practices in Halliburton's accounting assumptions. The October 24 press

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[49] *Nathenson*, 267 F.3d at 419 (citing *Lasker v. N.Y. State Elec. & Gas Corp.*, 85 F.3d 55, 59 (2d Cir. 1996) (observing that "broad, general statements" are "precisely the type of 'puffery' that this and other circuits have consistently held to be inactionable")).

release does not mention fixed price contracts, unapproved claims, or the method for recognition of revenue from such claims. Rather than revealing the truth about unapproved claims, the release attributes a large drop in the group's revenue to a decline in customer spending. Nettesheim's expert opinion that the October 24 disclosure concerned the company's booking of unapproved claims is also conclusory. She admitted in her deposition testimony that she did not match the October 24 statements to any particular prior misrepresentations by Halliburton.

Nettesheim's report shows that she relied for her conclusions on her examination of news reports and statements from analysts and the subsequent stock price movement. But the news reports Nettesheim cited discuss only problems and weak results generally in Halliburton's engineering and construction business. Nettesheim makes too great a leap in her conclusion that because analysts reduced earnings estimates based on weakness in Halliburton's construction business as a whole, the downgrades to estimates were due to Halliburton improperly recognizing revenue from unapproved claims. We see no such relationship evident in the statements.

Finally, we find no loss causation evident from the December 21, 2000 announcement, which indicated that the $120 million fourth quarter charge would include $25 million for reorganization costs, leaving approximately $95 million for project

specific matters.[50] As with other alleged corrective disclosures, the December 21 announcement included clearly non-culpable negative information. For example, the release informed the market about "the poor near term market outlook for the downstream engineering and construction business," which Halliburton attributed to a "consolidating customer base, difficult relationships with certain customers, and some financially stressed competitors and a fiercely competitive environment." The negative information constituted non-culpable changes in market conditions and the competitive environment that Halliburton faced, which Plaintiff's expert failed to differentiate from any allegedly culpable information.

The market recognized that Halliburton's business faced general economic difficulties and industry-wide pressures. One reporting service, CIBC World Markets, noted the following after the December 21 release:

> The customer base for [engineering and construction] is consolidating and financially pressured competitors have intensified

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[50] Plaintiff's contention is that the $25 million is attributed to problems with the Dresser integration, and that this disclosure provided corrective information about Halliburton's prior false representations about the merger. Nettesheim conceded in her report, however, that the $25 million disclosure "does not appear to have been a surprise or a concern" to the market because some charge was already expected due to prior announcements. This portion of the December release was therefore confirmatory information and was not an actionable corrective disclosure. *See Greenberg*, 364 F.3d at 666.

> competition and pricing in the marketplace. As a result, HAL is restructuring its company into two operating segments . . . Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts. . . . General industry-wide issues are also impacting the E&C business. Despite high oil and natural gas prices, spending for engineering and construction projects remains depressed. The difficult operating environment has forced some of Halliburton's E&C competition to cut prices and increase competitiveness.

We think the consolidating customer base, increased competition, and other "industry-wide issues," like depressed customer spending, are the kind of economic circumstances and industry-specific facts that are not actionable and must be proven by Plaintiff to have played a much lesser role in the stock price movement than alleged culpable disclosures.[51]

Nettesheim's conclusion that the December 21 disclosure related to cost- overruns in construction projects was based on news commentary. But the commentary shows reaction only to "the entire bundle of negative information," including the general downturn in Halliburton's construction business. By failing to provide empirical data to account for other negative news in the disclosure

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[51] *See Flowserve*, 572 F.3d at 229.

that was also part of the problem with Halliburton's engineering and construction business (e.g., increased labor costs, consolidated customer base, fiercely competitive environment), Nettesheim failed to provide the necessary linkage between the change in stock price and the *allegedly culpable* information (cost-overruns). Plaintiff therefore seeks to prove loss causation from the December 21 release by improperly relying only on evidence of a decrease in stock price following the negative disclosure of a fourth quarter charge.[52] Plaintiff has failed to prove loss causation with respect to the December 21, 2000 disclosure.

VI.

After reviewing the alleged misrepresentations and corrective disclosures, we conclude that Plaintiff has failed to meet this court's requirements for proving loss causation at the class certification stage. Therefore, the district court's judgment denying the Plaintiff's motion for class certification is AFFIRMED.

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[52] *See Greenberg*, 364 F.3d at 665.

IN THE UNTED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHIDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., on Behalf of Itself and all Other Similarly Situated,	§	Civil Action No. 3:02-CV-1152-M
Lead Plaintiff,	§	
v.	§	
HALLIBURTON COMPANY, et al.,	§	
Defendants.	§	

ORDER

In light of the recent decision by the U.S. Court of Appeals for the Fifth Circuit, affirming this Court's judgment denying the Plaintiff's motion for class certification, the stay in this case is hereby **LIFTED**, and the parties are ordered to confer and file with the Clerk of Court, **no later than April 2, 2010**, a proposed schedule, and suggested approach, on how the Court should proceed with this case. If the parties cannot agree, they shall explain their differences and submit separate proposals.

SO ORDERED.

DATED: March 17, 2010.

/s/ Barbara M.G. Lynn
BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS

IN THE UNTED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHIDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., on Behalf of Itself and all Other Similarly Situated,	§	Civil Action No. 3:02-CV-1152-M
Lead Plaintiff,	§	
v.	§	
HALLIBURTON COMPANY, et al.,	§	
Defendants.	§	

ORDER

Before the Court is the parties' Joint Status Report [Docket Entry #456]. The Court is of the opinion that the Motion should be GRANTED. It is therefore ORDERED that this case is stayed until May 13, 2010, which the parties advise is the deadline for Plaintiffs to file a petition for a writ of certiorari in this action. The parties are further ORDERED to submit a joint status report on May 14, 2010, advising the Court as to whether any such petition has been filed. If a petition for a writ of certiorari is timely filed, the stay shall continue until the petition is either denied or, if it is granted, until final resolution of any resulting appeal. If a petition

is not timely filed, the parties shall advise the Court in their May 14, 2010 status report of their views as to how the Court should proceed with this case, explaining their differences if they do not agree.

SO ORDERED.

March 29, 2010.

/s/ Barbara M.G. Lynn
BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS

FEDERAL RULE OF CIVIL PROCEDURE 23: CLASS ACTIONS

(a) Prerequisites. One or more members of a class may sue or be sued as representative parties on behalf of all members only if:

(1) the class is so numerous that joinder of all members is impracticable;

(2) there are questions of law or fact common to the class;

(3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and

(4) the representative parties will fairly and adequately protect the interests of the class.

(b) Types of Class Actions. A class action may be maintained if Rule 23(a) is satisfied and if:

(1) prosecuting separate actions by or against individual class members would create a risk of:

(A) inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class; or

(B) adjudications with respect to individual class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual

adjudications or would substantially impair or impede their ability to protect their interests;

(2) the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole; or

(3) the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy. The matters pertinent to these findings include:

(A) the class members' interests in individually controlling the prosecution or defense of separate actions;

(B) the extent and nature of any litigation concerning the controversy already begun by or against class members;

(C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and

(D) the likely difficulties in managing a class action.

(c) Certification Order; Notice to Class Members; Judgment; Issues Classes; Subclasses.

(1) Certification Order.

(A) Time to Issue. At an early practicable time after a person sues or is sued as a class representative, the court must determine by order whether to certify the action as a class action.

(B) Defining the Class; Appointing Class Counsel. An order that certifies a class action must define the class and the class claims, issues, or defenses, and must appoint class counsel under Rule 23(g).

(C) Altering or Amending the Order. An order that grants or denies class certification may be altered or amended before final judgment.

(2) Notice.

(A) For (b)(1) or (b)(2) Classes. For any class certified under Rule 23(b)(1) or (b)(2), the court may direct appropriate notice to the class.

(B) For (b)(3) Classes. For any class certified under Rule 23(b)(3), the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort. The notice must clearly and concisely state in plain, easily understood language:

(i) the nature of the action;

(ii) the definition of the class certified;

(iii) the class claims, issues, or defenses;

(iv) that a class member may enter an appearance through an attorney if the member so desires;

(v) that the court will exclude from the class any member who requests exclusion;

(vi) the time and manner for requesting exclusion; and

(vii) the binding effect of a class judgment on members under Rule 23(c)(3).

(3) Judgment. Whether or not favorable to the class, the judgment in a class action must:

(A) for any class certified under Rule 23(b)(1) or (b)(2), include and describe those whom the court finds to be class members; and

(B) for any class certified under Rule 23(b)(3), include and specify or describe those to whom the Rule 23(c)(2) notice was directed, who have not requested exclusion, and whom the court finds to be class members.

(4) Particular Issues. When appropriate, an action may be brought or maintained as a class action with respect to particular issues.

(5) Subclasses. When appropriate, a class may be divided into subclasses that are each treated as a class under this rule.

(d) Conducting the Action.

(1) In General. In conducting an action under this rule, the court may issue orders that:

(A) determine the course of proceedings or prescribe measures to prevent undue repetition or complication in presenting evidence or argument;

(B) require – to protect class members and fairly conduct the action--giving appropriate notice to some or all class members of:

(i) any step in the action;

(ii) the proposed extent of the judgment; or

(iii) the members' opportunity to signify whether they consider the representation fair and adequate, to intervene and present claims or defenses, or to otherwise come into the action;

(C) impose conditions on the representative parties or on intervenors;

(D) require that the pleadings be amended to eliminate allegations about representation of absent persons and that the action proceed accordingly; or

(E) deal with similar procedural matters.

(2) Combining and Amending Orders. An order under Rule 23(d)(1) may be altered or amended from time to time and may be combined with an order under Rule 16.

(e) Settlement, Voluntary Dismissal, or Compromise. The claims, issues, or defenses of a certified class may be settled, voluntarily dismissed, or compromised only with the court's approval. The following procedures apply to a proposed settlement, voluntary dismissal, or compromise:

(1) The court must direct notice in a reasonable manner to all class members who would be bound by the proposal.

(2) If the proposal would bind class members, the court may approve it only after a hearing and on finding that it is fair, reasonable, and adequate.

(3) The parties seeking approval must file a statement identifying any agreement made in connection with the proposal.

(4) If the class action was previously certified under Rule 23(b)(3), the court may refuse to approve a settlement unless it affords a new opportunity to request exclusion to individual class members who had an earlier opportunity to request exclusion but did not do so.

(5) Any class member may object to the proposal if it requires court approval under this

subdivision (e); the objection may be withdrawn only with the court's approval.

(f) Appeals. A court of appeals may permit an appeal from an order granting or denying class-action certification under this rule if a petition for permission to appeal is filed with the circuit clerk within 14 days after the order is entered. An appeal does not stay proceedings in the district court unless the district judge or the court of appeals so orders.

(g) Class Counsel.

(1) Appointing Class Counsel. Unless a statute provides otherwise, a court that certifies a class must appoint class counsel. In appointing class counsel, the court:

(A) must consider:

(i) the work counsel has done in identifying or investigating potential claims in the action;

(ii) counsel's experience in handling class actions, other complex litigation, and the types of claims asserted in the action;

(iii) counsel's knowledge of the applicable law; and

(iv) the resources that counsel will commit to representing the class;

(B) may consider any other matter pertinent to counsel's ability to fairly and adequately represent the interests of the class;

(C) may order potential class counsel to provide information on any subject pertinent to the appointment and to propose terms for attorney's fees and nontaxable costs;

(D) may include in the appointing order provisions about the award of attorney's fees or nontaxable costs under Rule 23(h); and

(E) may make further orders in connection with the appointment.

(2) Standard for Appointing Class Counsel. When one applicant seeks appointment as class counsel, the court may appoint that applicant only if the applicant is adequate under Rule 23(g)(1) and (4). If more than one adequate applicant seeks appointment, the court must appoint the applicant best able to represent the interests of the class.

(3) Interim Counsel. The court may designate interim counsel to act on behalf of a putative class before determining whether to certify the action as a class action.

(4) Duty of Class Counsel. Class counsel must fairly and adequately represent the interests of the class.

(h) Attorney's Fees and Nontaxable Costs. In a certified class action, the court may award reasonable attorney's fees and nontaxable costs that are authorized by law or by the parties' agreement. The following procedures apply:

(1) A claim for an award must be made by motion under Rule 54(d)(2), subject to the provisions of this subdivision (h), at a time the court sets. Notice of the motion must be served on all parties and, for motions by class counsel, directed to class members in a reasonable manner.

(2) A class member, or a party from whom payment is sought, may object to the motion.

(3) The court may hold a hearing and must find the facts and state its legal conclusions under Rule 52(a).

(4) The court may refer issues related to the amount of the award to a special master or a magistrate judge, as pro-vided in Rule 54(d)(2)(D).

REPLY BRIEF

Supreme Court, U.S.
AUG 30 2010
OFFICE OF THE CLERK

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(3)

No. 09-1403

In the Supreme Court of the United States

ERICA P. JOHN FUND, INC., PETITIONER.

v.

HALLIBURTON CO.; DAVID J. LESAR, RESPONDENTS.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

REPLY BRIEF FOR PETITIONER

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RULE 29.6 STATEMENT

Petitioner hereby incorporates by reference the statement pursuant to Rule 29.6 included in the Petition for a Writ of Certiorari.

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REPLY BRIEF FOR PETITIONER

While Respondents seek to muddy the waters, one key fact remains crystal clear: No court outside of the Fifth Circuit requires a plaintiff in a securities fraud action to establish loss causation in order to certify a class. The Fifth Circuit's requirement violates Supreme Court precedent and Federal Rule of Civil Procedure 23, interjects a premature and improper merits examination into the certification inquiry, and has been rejected by every court outside of the Fifth Circuit that has addressed the issue, including the Second Circuit and, just days ago, the Seventh Circuit – which, in a unanimous decision authored by Chief Judge Easterbrook, called the Fifth's Circuit's requirement "a go-it-alone strategy" and expressly "disapprove[d]" of the Fifth Circuit's holding. *Schleicher v. Wendt*, No. 09-2154, 2010 WL 3271964, at *7 (7th Cir. Aug. 20, 2010). The conflict with the Second Circuit is not, as Respondents claim, a "shallow" one, and the conflict with the Seventh Circuit could not be more direct. Tellingly, Respondents are unable to provide a coherent justification for the Fifth Circuit's unique rule that a securities plaintiff must demonstrate loss causation—an element of a securities fraud claim separate from reliance—at class certification to invoke the fraud on the market presumption of reliance. Nor are Respondents correct that this case is an inapposite vehicle for resolving this circuit split. The issue here is a purely legal one, and but for the Fifth Circuit's rule, the district court stated it would have certified the class in this case. Pet. App. 4a.

I. THE FIFTH CIRCUIT IS AN OUTLIER IN REQUIRING PROOF OF LOSS CAUSATION AT CLASS CERTIFICATION

No other circuit requires proof of loss causation to certify a class under the fraud-on-the-market presumption of reliance. Defendants quibble with the degree and severity of conflict but cannot deny it. *All* cases outside the Fifth Circuit that have addressed the holding in *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007)—including the Second and Seventh Circuits and district courts in six other circuits—have affirmatively rejected *Oscar* or otherwise declined to follow it. *See, e.g.*, Pet. 13, 15-17. Even the circuit courts that have yet to expressly address *Oscar*—reaffirmed and further tightened by the Fifth Circuit in the case at bar—do not require proof of loss causation to invoke the fraud on the market presumption. *See, e.g.*, Pet. 15. It is irrelevant that some of those cases predate *Oscar* since they are still the controlling authority in their respective circuits. A conflict is a conflict even if other circuits have not expressly disavowed *Oscar*, as the Seven Circuit recently did, declaring: "*Oscar Private Equity* represents a go-it-alone strategy by the fifth circuit. It is not compatible with this circuit's decisional law . . . and we disapprove its holding. It has not been adopted by any other circuit, and it has been rejected implicitly by some." *Schleicher*, 2010 WL 3271964, at *7 (citing *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 479, 483 (2d Cir. 2008), as rejecting *Oscar*).

Given the number of courts that have rejected *Oscar*, *see* Pet. 15-17, no further "percolation" is needed. Opp. 2. With the Seventh Circuit's opinion in *Schleicher*, the circuit split is wider than ever, and absent a ruling from this Court, the temptation to engage in forum shopping given the broad venue provision governing federal securities actions, *see* 15 U.S.C. § 78aa, will be nearly irresistible. The time has come for this Court to resolve this split of authority on an important and recurring issue, and this case is an apt vehicle for doing so. Because Petitioner would *not* have been required to prove loss causation at the class certification stage in any other circuit, and because that requirement is the *sole* reason the district court declined to certify a class here, Pet. App. 4a, the outcome of this case would clearly have been different in every other circuit.

A. The Fifth Circuit Sets A Virtually Unattainable Bar

The Fifth Circuit's unique requirement that a plaintiff must prove loss causation at class certification by a preponderance of the evidence without merits discovery sets a virtually unattainable standard. The Seventh Circuit recently held that if plaintiffs had to demonstrate that "the contested statements actually caused material changes in stock prices," plaintiffs would be required to "prove everything (except falsity) required to win on the merits" before a class could be certified. *Schleicher*, 2010 WL 3271964, at *2. Imposing such a standard, the court noted, "would end the use of class actions in securities cases." *Id.* The court explained:

> The particular step that the fifth circuit took in *Oscar Private Equity* would do more than just "tighten" the requirements for class certification. It would make certification impossible in many securities suits, because when true and false statements are made together it is often impossible to disentangle the effects with any confidence.

Id. at *6.[1]

Respondents' contention that the Court should decline to hear this case because it involves review of an interlocutory order is likewise without merit and effectively insulates the Fifth Circuit rule from any review. Rule 23(f) was added precisely to authorize interlocutory review of class certification decisions where important issues are at stake, as is the case here. *See* FED. R. CIV. P. 23 Advisory Committee Notes, 1998 Amendments. Nor do this Court's rules and practices prohibit review of this case. "[W]here . . . there is some important and clear-cut issue of law that is fundamental to the further conduct of the case and that would otherwise qualify as a basis for

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[1] Respondents invoke *Alaska Electrical Pension Fund v. Flowserve Corporation*, 572 F.3d 221 (5th Cir. 2009), to argue the Fifth Circuit "does not require a 'confession' of fraud in the negative disclosure." Opp. 27. The opinion in this case, however, "set a considerably more demanding test" than that in *Flowserve*. Pet. 11 n.5. In any event, *Flowserve* requires proof of loss causation (and so conflicts with the Second and Seventh Circuits); it just establishes a slightly less onerous test for what is required to prove it.

certiorari, the case may be reviewed despite its interlocutory status. . . ." EUGENE GRESSMAN ET AL., SUPREME COURT PRACTICE § 4.18, 281 (9th ed. 2007).[2] Respondents offer no practical advantage to delaying review of this decision until after final judgment, and, indeed, no such justification exists. The questions presented here are purely questions of law, and it is undisputed that they are effectively dispositive of this case. Pet. 18 n.17. Moreover, because of the prohibitive cost of prosecuting a securities action for individual named plaintiffs only, the Fifth Circuit's rule, which "would end the use of class actions in securities cases," *Schleicher*, 2010 WL 3271964, at *2, is likely never to reach this Court except on an interlocutory basis.

B. The Second Circuit Does Not Require Proof Of Loss Causation At The Class Certification Stage

Respondents' contention that the conflict between the Fifth Circuit and Second Circuit is "illusory," Opp. 7, and that the Second Circuit's holding in *Salomon* is "substantively indistinguishable" from the Fifth Circuit's holdings in *Oscar* and the present case, Opp. 8, is patently untrue. Indeed, the two circuits reached virtually opposite conclusions. *Compare Salomon*, 544 F.3d at 483 ("[P]laintiffs do not bear the burden of showing an impact on price.") *with Oscar*, 487 F.3d at 265 ("[W]e require proof that the misstatement *actually*

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[2] This action has been stayed virtually since the district court denied class certification, Pet. 18 n.17, which also weighs in favor of accepting this interlocutory appeal. *See* GRESSMAN, SUPREME COURT PRACTICE § 4.18, 283.

moved the market."). This conflict has been repeatedly recognized by courts and commentators alike. *See, e.g., Schleicher*, 2010 WL 3271964, at *7 (*Oscar* "rejected implicitly by" *Salomon*); *In re Am. Int'l Group, Inc. Sec. Litig.*, 265 F.R.D. 157, 181 (S.D.N.Y. 2010); *In re Initial Pub. Offering Sec. Litig.*, 260 F.R.D. 81, 106 n.214 (S.D.N.Y. 2009) ("At the class certification stage, plaintiffs need not demonstrate loss causation. It is sufficient for plaintiffs to prove only that loss causation can be shown on a class-wide basis."); *In re Boston Scientific Corp. Sec. Litig.*, 604 F. Supp. 2d 275, 285-86 (D. Mass. 2009); Martin Flumenbaum & Brad S. Karp, *Reach of 'Basic's' 'Fraud-on-the-Market Presumption'*, 240 N.Y.L.J. 3 (2008) (*Salomon* "is now squarely at odds with the Fifth Circuit's decision in *Oscar*.").

Respondents' claim that the conflict between the Fifth and Second Circuits is a shallow one rests solely on their assertion that the showing to rebut the fraud-on-the-market presumption is minimal. That assertion—now largely irrelevant following the Seventh Circuit's opinion in *Schleicher*—is incorrect. In *Salomon*, the Second Circuit held that "defendants are allowed to rebut the [fraud-on-the-market] presumption," and remanded the case for presentation of rebuttal evidence. 544 F.3d at 484-86. In *Basic Inc. v. Levinson*, 485 U.S. 224, 248 (1988), this Court stated that "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price, will be sufficient to rebut the presumption of reliance." Respondents seize on the

word "any" to argue that defendants bear a "relatively light burden", Opp. 9, but the key word is "sever." By requiring evidence that *severs* the link, this Court made clear that the presumption is not a bubble bursting one and does not dissolve in the face of *any* contrary evidence. Consistent with *Basic*, to rebut the presumption, defendants in *Salomon* must make a substantial evidentiary showing. In the Fifth Circuit, by contrast, it was Petitioner who bore the burden of establishing loss causation by the preponderance of the evidence. Thus, a real and substantial difference exists between the Fifth and Second Circuit's requirements. In any event, there can be no doubt that controlling precedent in the Fifth and Seventh Circuits are now diametrically opposed.

The Respondents have not "severed" the basis for the application of the fraud-on-the-market presumption in this case. They did not even attempt to make such a rebuttal showing, and the district court did not purport to determine whether they had, because under controlling Fifth Circuit precedent, the burden is improperly shifted squarely to the plaintiff to establish loss causation. *See* Pet. App. 115a, 136a. Respondents did not show that the price of Halliburton stock did not incorporate the relevant information or that the plaintiffs did not rely on the integrity of the market price. In fact, Respondents admitted that Halliburton trades on an efficient market. Pet. App. 115a.[3] Respondents also

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[3] Accordingly, this class would have been certified in the Seventh Circuit. *See Schleicher*, 2010 WL 3271964, at *1 ("When a company's stock trades in a large and efficient

failed to show that the stock price dropped for reasons other than the corrective disclosure. Rather, the court of appeals concluded that even though Petitioner showed that the price of Halliburton's stock dropped following corrective disclosures (after accounting for market and industry factors through an event study, Pet. App. 5a), Petitioner failed to establish loss causation, either because the corrective disclosure did not reveal the fraud or because Petitioner did not separate the effect of simultaneously released culpable and negative, but non-culpable, disclosures. *See, e.g.*, Pet. App. 15a, 19a, 23a, 26a, 29a, 31a, 36a, 41a, 48a, 52a-53a, 125a-135a.[4]

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market, the contestable elements of the Rule 10b-5 claim reduce to falsehood, scienter, materiality, and loss. Because each investor's loss usually can be established mechanically, common questions predominate and class certification is routine, if a suitable representative steps forward.").

[4] Respondents' claim that *In re Flag Telecom Holdings, Ltd. Securities Litigation*, 574 F.3d 29 (2d Cir. 2009), "confirms that the absence of loss causation defeats class certification within the Second Circuit," Opp. 11 n.2, lacks merit. The *Flag* case involved an unusual set of facts where the plaintiffs in that case were frequent traders. The Second Circuit held that the issue of loss causation was relevant to the district court's determination of whether the Class Representative was "both an adequate and typical representative of the class." 574 F.3d at 40. The issue of loss causation was "relevant to [Federal] Rule [of Civil Procedure] 23(a) for reasons that [did] not implicate either predominance or *Basic*." *Id.* at 39-40.

C. The Third Circuit Does Not Require Proof Of Loss Causation At The Class Certification Stage

Nor does the discussion of materiality in *In re Burlington Coat Factory Securities Litigation*, 114 F.3d 1410 (3d Cir. 1997), support the Fifth Circuit's holding, as Respondents contend. Opp. 13. The Third Circuit did not and could not redefine materiality in contravention of this Court's definition in *Basic*. *See Basic*, 485 U.S. at 231-32; Pet. 21 n.19. Rather, in ruling on an appeal from an order granting a motion to dismiss, the Third Circuit made the limited point that if the complaint itself alleges that a statement did not affect the price of the stock, the complaint demonstrates the statement was not material. *Burlington*, 114 F.3d at 1425. Respondents' citation, Opp. 13, to *Newton v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154 (3d Cir. 2001), is equally misplaced. In *Newton*, investors sued their broker-dealers for allegedly breaching their duty of best execution by failing to investigate other alternatives that offered lower prices to investors. 259 F.3d at 162. The fraud on the market theory had no application to that claim because defendants did not make any public assertions to the market place, a prerequisite for invoking the theory. *See id.* at 173, 180.

II. THE FIFTH CIRCUIT'S HOLDING CONFLICTS WITH SUPREME COURT PRECEDENT AND THE FEDERAL RULES OF CIVIL PROCEDURE

A. The Fifth Circuit's Holding Conflicts With *Basic* and Related Cases

Contrary to Respondents' claims, the decision below does *not* "faithfully interpret[] *Basic*." Opp. 22. While *Basic might* arguably give lower courts *some* room to develop the fraud on the market doctrine, it does not allow them to negate the presumption established in that case. *See Schleicher*, 2010 WL 3271964, at *6 ("Unlike the fifth circuit, we do not understand *Basic* to license each court of appeals to set up its own criteria for certification of securities class actions or to 'tighten' Rule 23's requirements."). Respondents invoke the language from *Basic* that the fraud-on-the-market presumption may be rebutted by "any showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *See Basic*, 485 U.S. at 248; *supra* Section I.B. Respondents read that phrase to require plaintiffs to prove loss causation at class certification, but that language cannot support such an expansive reading, and *no* court outside the Fifth Circuit has found that phrase permits or requires such a seismic doctrinal shift.[5]

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[5] Respondents also claim that *Basic* "made clear" that defendants can "rebut proof of the elements giving rise to the presumption, *or show that the misrepresentation in fact did not*

Likewise, Respondents' contention that the Fifth Circuit's holding is consistent with *Stoneridge Investment Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008), and *Merck & Co. v. Reynolds*, 130 S. Ct. 1784 (2010), Opp. 26, is without merit. Respondents cannot negate the fact that the *Stoneridge* Court endorsed the holding in *Basic* without indicating plaintiffs were also required to prove loss causation in order to invoke the *Basic* presumption. *See* 552 U.S. at 159; Pet. 20. As to *Merck*, Respondents claim the Fifth Circuit does not require proof of scienter without discovery, Opp. 26, but ignore the repeated assertions to the contrary in the Fifth Circuit's opinion. *See, e.g.*, Pet. 6-7, 11, 24-25; Pet. App. 121a, 122a, 125a-127a.

B. The Fifth Circuit's Holding Is Inconsistent With *Eisen* And The Federal Rules Of Civil Procedure

The Fifth Circuit rule requires an improper merits analysis—beyond that which is necessary for certification under Federal Rule of Civil Procedure 23 because loss causation turns on common evidence—and so is incompatible with *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), and Rule 23. *See* Pet. 34-37. As the Seventh Circuit observed,

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lead to a distortion of price." Opp. 23-24. That language is from the *Basic* Court's description of the holding of the lower court in that case and is not part of the Court's holding. *See Basic*, 485 U.S. at 248. Respondents' broad reading of that phrase is also inconsistent with the lower court opinion, which this Court was merely describing in that sentence. *See Levinson v. Basic Inc.*, 786 F.2d 741, 750 n.6 (6th Cir. 1986).

the Fifth Circuit's rule is driven by an apparent concern that class certification will create undue settlement pressure on defendants. *Schleicher*, 2010 WL 3271964, at *5 (citing *Oscar*, 487 F.3d at 266-70). The Seventh Circuit correctly rejected the view, implicitly endorsed by the Fifth Circuit, that "class certification is proper only when the class is sure to prevail on the merits." *Id.* Indeed, the Seventh Circuit noted:

> To the extent [*Oscar*] holds that class certification is proper only after the representative plaintiffs establish by a preponderance of the evidence everything necessary to prevail, *Oscar Private Equity* contradicts the decision, made in 1966, to separate class certification from the decision on the merits.

Schleicher, 2010 WL 3271964, at *6 (citing *Eisen*, 417 U.S. 156). The Seventh Circuit further explained that Congress had addressed concerns about securities class actions by imposing enhanced pleading requirements and ensuring securities litigation "occurs in federal court under these special standards." *Id.* The court said that any further measures required legislation and should be addressed by Congress, not the judiciary, declaring: "We do not think it appropriate for the judiciary to make its own further adjustments by reinterpreting Rule 23 to make likely success on the merits essential to class certification in securities-fraud suits." *Id.* As the Seventh Circuit recognized, the

Fifth Circuit overstepped its bounds and infringed on the prerogative of Congress and of this Court.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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AMICUS CURIAE BRIEF

No. 09-1403

In the Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., PETITIONER

v.

HALLIBURTON CO., ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

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QUESTION PRESENTED

Whether, in a private action under Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5, a plaintiff who invokes the fraud-on-the-market presumption of reliance must prove loss causation in order for the suit to be maintained as a class action.

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INTEREST OF THE UNITED STATES

This brief is submitted in response to the Court's order inviting the Acting Solicitor General to express the views of the United States. In the view of the United States, the petition for a writ of certiorari should be granted.

STATEMENT

1. Section 10(b) of the Securities and Exchange Act of 1934 makes it unlawful for any person "[t]o use or employ, in connection with the purchase or sale of any security * * *, any manipulative or deceptive device or contrivance in contravention of" rules promulgated by the Securities and Exchange Commission (SEC). 15 U.S.C. 78j(b). The SEC's Rule 10b-5 implements

Section 10(b). As relevant here, the Rule makes it unlawful for any person, in connection with the purchase or sale of a security, "[t]o make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading." 17 C.F.R. 240.10b-5(b).

This Court has construed Section 10(b) to provide a private right of action. See *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 341 (2005) (citing cases). In order to recover in a private action under Section 10(b) and Rule 10b-5(b), a private plaintiff must prove the following elements: (1) the defendant made a material misrepresentation or omission; (2) the defendant acted with scienter; (3) a connection between the misrepresentation or omission and the purchase or sale of a security; (4) the plaintiff's reliance upon the misrepresentation or omission; (5) economic loss; and (6) loss causation, meaning that the defendant's misrepresentation or omission proximately caused the plaintiff's loss. *Id.* at 341-342; see, *e.g.*, *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta*, 552 U.S. 148, 157 (2008).

In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), this Court discussed the manner in which plaintiffs in a securities-fraud class action may establish reliance. *Id.* at 241-248. The Court recognized that "[r]equiring proof of individualized reliance from each member of the proposed plaintiff class" often would "prevent[] [plaintiffs] from proceeding with a class action, since individual issues then would * * * overwhelm[] the common ones." *Id.* at 242. The Court held that plaintiffs may overcome that obstacle by invoking a rebuttable presumption of reliance based on the fraud-on-the-market theory. *Id.* at 242-247. Under that theory, the Court

explained, the price of a stock in an efficient market reflects "publicly available information," including "any public material misrepresentations," and "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Id.* at 247. The Court noted that a defendant may rebut the presumption of reliance arising from that theory through "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Id.* at 248.

2. Petitioner is the lead plaintiff in a putative securities-fraud class action against Halliburton Co. and one of its officers (respondents in this Court). Pet. App. 113a-114a. Petitioner alleges that respondents attempted to inflate Halliburton's stock price by downplaying the company's estimated asbestos liabilities, overstating its revenue in its engineering and construction business, and overstating the benefits of its merger with Dresser Industries. *Id.* at 4a-5a, 11a. Petitioner alleges that respondents subsequently made corrective disclosures about these matters that caused Halliburton's stock price to decline. *Id.* at 5a, 11a.

Petitioner sought to certify a class of all persons who purchased Halliburton common stock between June 3, 1999, and December 7, 2001. See Pet. App. 4a, 66a-67a. The district court denied the class-certification motion. *Id.* at 3a-55a. The court determined that "the Proposed Class satisfied Federal Rule of Civil Procedure 23 as to numerosity, commonality, typicality, and adequacy of [petitioner] as a class representative," and that a class action generally "would be the superior method for adjudicating the claims of these class members." *Id.* at 3a-4a. The court held, however, that it could not certify the

class because petitioner had failed to prove loss causation. *Id.* at 4a.

The district court enumerated the elements of a private securities-fraud claim and noted that, "[i]n class action securities cases such as this one, plaintiffs can satisfy the reliance requirement through the fraud-on-the market theory." Pet. App. 6a. The court explained, however, that the Fifth Circuit had recently "tightened" the requirements for class certification by requiring "[p]laintiffs * * * to demonstrate loss causation in order to trigger the fraud-on-the-market presumption of class reliance." *Ibid.* (citing *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007) (*Oscar*)). Under the Fifth Circuit's decision in *Oscar*, the district court observed, loss causation must be "established at the class certification stage by a preponderance of all admissible evidence." *Ibid.* (quoting *Oscar*, 487 F.3d at 269). The court reviewed the evidence in this case and concluded that petitioner had failed to satisfy that requirement. *Id.* at 11a-54a. The court stated that, but for petitioner's failure to prove loss causation, it would have certified the class. *Id.* at 4a, 54a.

3. The court of appeals affirmed. Pet. App. 111a-136a. Relying on its prior decision in *Oscar*, the court stated that "[i]n order to obtain class certification on its claims, [petitioner] was required to prove loss causation, i.e., that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in losses." *Id.* at 113a. The court explained that, even when a putative securities-fraud class representative "create[s] a rebuttable presumption of reliance under the fraud-on-the-market theory" by validating the assumptions set out in *Basic*, it may not actually "take

advantage of the fraud-on-the-market presumption of reliance" unless it also shows loss causation. *Id.* at 114a-115a. The court characterized this additional requirement as a "rigorous" one that typically "requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement." *Id.* at 130a. After reviewing all of the evidence in this case, the court of appeals concluded that petitioner had failed to meet this burden, and the court affirmed the denial of class certification. *Id.* at 123a-136a.

DISCUSSION

The court of appeals held that, when the named plaintiff in a putative securities-fraud class action relies on the fraud-on-the-market theory to establish a presumption of reliance, the plaintiff must demonstrate loss causation to obtain class certification. The court erred at the outset by considering loss causation at the class-certification stage without determining that it was relevant to any of the prerequisites for class certification under Federal Rule of Civil Procedure 23. The court then compounded that error by requiring plaintiffs to prove loss causation by a preponderance of the evidence. As a result, the court requires plaintiffs to prove a significant element of their case at the class-certification stage, without the benefit of full discovery and without consideration of their claims by a jury.

Nothing in *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), supports the Fifth Circuit's approach. The Court in *Basic* approved the fraud-on-the-market theory as a way for a plaintiff class to show that common issues of fact and law predominate on the question of reliance. The Court in *Basic* did not address the separate element

of loss causation, and this Court's later decision in *Dura Pharmaceuticals, Inc.* v. *Broudo*, 544 U.S. 336 (2005), makes clear that the two elements are conceptually distinct. In particular, the Court in *Basic* did not suggest that, where the evidence regarding loss causation will be common to all members of the putative class, a court may nevertheless deny class certification based on the plaintiffs' inability to prove that element of their case.

The Fifth Circuit's approach to class certification in securities-fraud cases conflicts with the decisions of two other courts of appeals. The Seventh Circuit has expressly rejected the Fifth Circuit's approach. The Second Circuit, while allowing some consideration of the merits at the class-certification stage, does not require the putative class representative to prove loss causation. The question presented is a recurring and important one, and this case provides a suitable vehicle for addressing it. Accordingly, the petition for a writ of certiorari should be granted.

A. The Court Of Appeals Erred By Considering Loss Causation At The Class-Certification Stage Without Relating That Inquiry To The Rule 23 Requirements

1. In order to certify a case as a class action, a federal district court must determine that the proposed class satisfies all of the requirements contained in Federal Rule of Civil Procedure 23. See, *e.g.*, *Shady Grove Orthopedic Assocs., P.A.* v. *Allstate Ins. Co.*, 130 S. Ct. 1431, 1437 (2010) (*Shady Grove*); *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156, 162-163 (1974). Under Section (a) of that rule, the named plaintiff must show that "the class is so numerous that joinder of all members is impracticable"; that "there are questions of law or fact common to the class"; that "the claims or defenses of the

representative parties are typical of the claims or defenses of the class"; and that "the representative parties will fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a). The named plaintiffs must also establish that the suit falls within one of the three categories of class actions described in Section (b) of the rule. Here, petitioner sought class treatment on the ground that "questions of law or fact common to class members predominate over any questions affecting only individual members" and "a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23(b)(3); see Pet. Mot. for Class Certification 14-19 (Sept. 17, 2007) (Docket entry No. 341).

2. In *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261 (2007), the Fifth Circuit offered essentially three justifications for its rule that the named plaintiff in a securities-fraud suit must establish loss causation for a class to be certified. First, the court viewed *Basic* as "allow[ing] each of the circuits to develop its own fraud-on-the-market rules," and stated that it had "used this room" in several cases to "tighten the requirements" for class certification to counteract the "extraordinary leverage" class certification bestows upon plaintiffs. 487 F.3d at 264-265, 267 (internal quotation marks omitted). Second, the court stated that placing the burden on plaintiffs to prove loss causation at the class-certification stage was consistent with the *Basic* Court's recognition that a defendant may rebut the presumption of reliance. *Id.* at 265. Third, the court suggested that a plaintiff's inability to prove loss causation may indicate that the alleged misrepresentations did not actually affect the company's stock price, even if

the plaintiff has established the prerequisites to invocation of the fraud-on-the-market theory. *Id.* at 269-270.

None of those rationales links proof of loss causation to the prerequisites for class certification under Rule 23. First, the Fifth Circuit's view that class actions bestow "extraordinary leverage" upon plaintiffs (*Oscar*, 487 F.3d at 267) does not authorize it to impose requirements above and beyond those specified in Rule 23. As this Court recently explained, "by its terms" Rule 23 "creates a categorical rule entitling a plaintiff whose suit meets the specified criteria to pursue his claim as a class action." *Shady Grove*, 130 S. Ct. at 1437. To the extent that policy concerns counsel in favor of "tighten[ing]" the availability of securities-fraud class actions, the responsibility for addressing those concerns rests with Congress rather than the courts. See, *e.g.*, *Tellabs, Inc.* v. *Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007) (noting heightened pleading requirements imposed in the Private Securities Litigation Reform Act of 2005 (PSLRA), 15 U.S.C. 78u-4); *Schleicher* v. *Wendt*, 618 F.3d 679, 686 (7th Cir. 2010) (noting steps Congress has taken in the PSLRA and Securities Litigation Uniform Standards Act of 1998, 112 Stat. 3227, and stating that the court "do[es] not think it appropriate for the judiciary to make its own further adjustments by reinterpreting Rule 23 to make likely success on the merits essential to class certification in securities-fraud suits").

The *Oscar* court's second and third rationales likewise provide no sound basis for requiring a plaintiff to prove loss causation to make class treatment appropriate. To be sure, the fraud-on-the-market theory is relevant to the district court's class-certification decision. In securities-fraud cases where the fraud-on-the-market presumption is inapplicable, each plaintiff must offer

particularized proof that it relied on the defendant's misstatements; individual issues will predominate over the common ones; and class certification will not be appropriate under Rule 23(b)(3). See *Basic*, 485 U.S. at 242; *Schleicher*, 618 F.3d at 685 ("If something about 'the merits' also shows that individual questions predominate over common ones, then certification may be inappropriate."). But so long as the plaintiff has established that the fraud-on-the-market theory is applicable—generally by showing that the defendant's alleged misrepresentations were made publicly, that the company's shares were traded in an efficient market, and that the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed, see *Basic*, 485 U.S. at 241-242, 247-248—then the plaintiff has shown that common questions predominate on the question of reliance. If the plaintiffs are subsequently unable to prove that they suffered any loss as a result of the alleged misrepresentations, the defendant will prevail on the merits, but the presence or absence of such proof is irrelevant to the question of class certification.

With respect to loss causation, the only relevant question at the class-certification stage is whether resolution of the loss-causation issue can be expected to turn on proof that is common to class members generally. So long as the loss-causation issue "affects investors in common" and therefore "can be made on a class-wide basis," a court may not deny class certification based on its view that the plaintiffs cannot prove that element of their claims. *Schleicher*, 618 F.3d at 687. In neither *Oscar* nor in this case, however, did the Fifth Circuit suggest that the loss-causation inquiry would vary from plaintiff to plaintiff in a way that would prevent common issues

from predominating. Rather, the clear thrust of the court's analyses in both cases was that proof of loss causation was lacking with respect to *all* members of the class. The Fifth Circuit erred by denying class certification on a ground unrelated to the requirements of Rule 23.

B. The Court Of Appeals Compounded Its Error By Requiring Plaintiffs To Prove Loss Causation By A Preponderance Of The Evidence At The Class-Certification Stage

1. In *Eisen*, this Court considered whether Rule 23 allows a district court to consider the merits of a plaintiff's claims "as part of the determination whether a suit may be maintained as a class action." 417 U.S. at 177-179. In that case, the district court had conducted a "preliminary hearing on the merits" to determine whether the plaintiff or the defendants should bear the cost of notice to the class. *Id.* at 168. This Court disapproved that approach, "find[ing] nothing in either the language or the history of Rule 23" to support conducting such an inquiry before certifying a case as a class action. *Id.* at 177.

The Court explained that, at the class-certification stage, "the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met." *Eisen*, 417 U.S. at 178 (quoting *Miller* v. *Mackey Int'l*, 452 F.2d 424, 427 (5th Cir. 1971)). Accordingly, *Eisen* concluded that courts may consider the merits of the plaintiff's claims at the class-certification stage only when necessary to determine whether the proposed plaintiff class meets the requirements of Rule 23. See *id.* at 177-178; see also, *e.g.*, Fed. R. Civ. P. 23(c)(1) advisory committee's note (2003) ("an evaluation

of the probable outcome on the merits is not properly part of the certification decision").

2. The court below, relying on *Oscar*, stated that a plaintiff in a putative securities-fraud class action is required to prove loss causation "at the class certification stage by a preponderance of all admissible evidence." Pet. App. 115a (quoting *Oscar*, 487 F.3d at 269). Because petitioner alleged that respondents had made false statements followed by corrective disclosures that resulted in losses to the class members, the court stated that petitioner must show that respondent's alleged corrective disclosures were "*related* to the false, non-confirmatory positive statement made earlier" and "that it is *more probable than not* that it was this related corrective disclosure, and not any other unrelated negative statement, that caused the stock price decline." *Id.* at 119a-120a (internal quotation marks omitted). The court called this showing "rigorous" and stated that it generally "requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement." *Id.* at 130a; see *Oscar*, 487 F.3d at 270-271. The court then conducted a thorough (and thoroughly premature) merits analysis, addressing each alleged misstatement and corrective disclosure in turn before concluding that petitioner had failed to prove that the class losses were likely caused by respondents' corrective disclosures. Pet. App. 123a-136a.

As explained above, the court of appeals erred at the outset by going beyond the Rule 23 criteria and assessing the putative class members' ability to prove their case on the merits. The court compounded that error through the standard of proof that it imposed. The court of appeals did not simply ask whether petitioner

had adequately *alleged* loss causation or whether petitioner had established a *prima facie* case on that element (either of which would have exceeded the court's authority at the class-certification stage), but instead required petitioner to prove loss causation by a preponderance of the evidence. That approach improperly preempts the merits inquiries that occur at the summary-judgment stage and at trial.

The Fifth Circuit's rule requires plaintiffs to adduce significant admissible evidence at an unduly early stage of the litigation. Under *Oscar*, a plaintiff may not simply allege a theory of loss causation, or even produce analysts' reports opining that a drop in the stock price was attributable to the defendant's correction of a prior misrepresentation. 487 F.3d at 270-271. Instead, simply to obtain class certification, the plaintiff must do what would otherwise be done at the merits stage after full discovery—the plaintiff must produce empirical evidence such as an event study to analyze all possible causes of the drop in stock price, and must prove that it is "more probable than not" that the corrective disclosure, and not some other piece of bad news, caused the drop in stock price. *Id.* at 270.

The lengthy analyses of loss causation performed by the courts below attest to the fact that full consideration of loss causation is a detailed and complex inquiry. Under Rule 23, however, class certification is to be decided "[a]t an early practicable time after a person sues or is sued as a class representative." Fed. R. Civ. P. 23(c)(1). At that point, discovery may not be complete, or even substantially underway. The Fifth Circuit erred by re-

quiring plaintiffs to prove loss causation at that early stage of the lawsuit.[1]

Even in cases where discovery would not meaningfully supplement the range of available evidence bearing on loss causation, the Fifth Circuit's approach improperly requires district courts to usurp the role of juries in resolving disputed loss-causation issues. In order to obtain summary judgment, a defendant must show that, viewing the evidence in the light most favorable to the plaintiff, there are no genuine issues of material fact for trial. See, *e.g.*, *Celotex Corp.* v. *Catrett*, 477 U.S. 317, 323-324 (1986); *Adickes* v. *S.H. Kress & Co.*, 398 U.S. 144, 157 (1970); Fed. R. Civ. P. 56(c). Summary judgment is not appropriate if "there are any genuine factual issues that properly can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party." *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986). Under the Fifth Circuit's approach, however, the district court must decide at the class-certification stage whether the named plaintiff has proved loss causation by a preponderance of the evidence, not simply whether a reasonable fact-finder could so conclude. That standard denies class plaintiffs in securities-fraud suits the opportunity to have loss-

[1] A named plaintiff's lack of access to discovery at the class-certification stage of a securities-fraud suit is particularly significant if the Fifth Circuit's opinion in this case is read to require proof of scienter as well as (or as a supposed component of) loss causation. Compare Pet. App. 123a n.35 (plaintiff need not prove "intentional fraud" at class certification) with *id.* at 121a-122a (loss-causation showing requires proof that "the corrective disclosure shows the misleading or deceptive nature of the prior positive statements" and that "the corrective disclosure more probably than not shows that the original estimates were designed to defraud"). Proof that the defendant acted with scienter may be particularly difficult to adduce before discovery has taken place.

causation issues resolved by a jury. See *Tellabs*, 551 U.S. at 326-328 (recognizing that plaintiffs are entitled to have their securities-fraud claims decided by a jury once a sufficient initial showing has been made).

C. Nothing In *Basic* Or The Fraud-On-The-Market Theory For Presuming Reliance Supports The Fifth Circuit's Requirement That Plaintiffs Prove Loss Causation At The Class-Certification Stage Of A Securities-Fraud Suit

In defending the court of appeals' approach, respondents contend (Br. in Opp. 23) that this Court's decision in *Basic* requires a named plaintiff to show that the defendant's misrepresentations actually affected stock prices in order to obtain class certification. Respondents further contend that "[l]oss causation * * * is central to the presumption of reliance" (*ibid.*), and they suggest (*id.* at 9-11) that the Fifth Circuit appropriately placed on petitioner the burden of proving loss causation. Each of those propositions is incorrect.

1. As explained above, a court in ruling on a class-certification request may consider the merits of the named plaintiff's claims only to the extent that merits-related issues bear on the criteria set forth in Rule 23. *Basic* did not generally suggest that securities-fraud suits are an exception to that general principle, nor did it specifically hold that the class-certification decision in a securities-fraud suit turns on whether the defendant's alleged misrepresentations actually affected the price of the relevant security. To be sure, if the defendant seeks to rebut the fraud-on-the-market presumption, the finder of fact may ultimately be required to determine whether actual market distortion occurred. But so long as the market-distortion inquiry turns on factual or legal

issues that are common to the members of the putative class, class certification is appropriate regardless of the perceived likelihood at that early stage that the plaintiffs will be able to establish that element of their claims on the merits. See *Schleicher*, 618 F.3d at 685.

Respondents rely in part (Br. in Opp. 23) on this Court's suggestion in *Basic* that a plaintiff who invokes the fraud-on-the-market presumption "must allege and prove" five enumerated elements, including "that the [defendant's] misrepresentations would induce a reasonable, relying investor to misjudge the value of the shares." 485 U.S. at 248 n.27. The Court in that passage was describing the analysis of the Sixth Circuit in the decision it was reviewing, and the Sixth Circuit's discussion of that element is illuminating. The Sixth Circuit explained that the plaintiff in that case had clearly satisfied four of the five requirements for invoking the fraud-on-the-market presumption and that "[t]he only real question then is element (4)—whether the plaintiffs can prove that a reasonable investor who was aware of the defendant's statements would have undervalued the stock." *Levinson* v. *Basic Inc.*, 786 F.2d 741, 750 (1986), vacated by 485 U.S. 224 (1988). The court then stated:

> The plaintiffs claim that the misrepresentations were intended to and did deflate the price of Basic's stock. This allegation satisfies element (4) for pleading purposes and should not be dismissed as a matter of law. If the plaintiffs are able to prove this and the other elements, it will be quite logical to presume that some investors relied on the misrepresentations resulting in a deflation of stock price and that members of the class relied upon the supposed integrity of the market price when selling their shares. The mere

> fact that the proof could be difficult does not preclude the opportunity to make the presentation *at trial*.

Id. at 750-751 (citation omitted; emphasis added).

The court of appeals in *Basic* thus clearly contemplated that any disputes concerning the actual effect on stock prices of the defendant's alleged misrepresentations would be resolved *at trial*. Respondent's contention that the district court must decide that factual issue as part of its threshold class-certification determination is inconsistent with the Sixth Circuit's analysis. And nothing in this Court's opinion in *Basic* suggests that the Court intended to impose more demanding class-certification requirements than those described by the court of appeals in *Basic*. See note 3, *infra*.

2. This Court's subsequent decision in *Dura Pharmaceuticals, Inc.* v. *Broudo*, *supra*, highlights the fact that reliance and loss causation are distinct elements of a securities-fraud claim. In *Dura*, the Court held that a plaintiff does not adequately allege loss causation simply by alleging that he purchased stock at an inflated price due to a defendant's misrepresentation or omission. *Id.* at 342-346. The Court explained that an investor who buys stock at a price that is inflated due to the defendant's misstatement suffers no immediate loss because "the inflated purchase payment is offset by ownership of a share that *at that instant* possesses equivalent value." *Id.* at 342. While acknowledging the existence of a "logical link between the inflated share purchase price and any later economic loss," the Court characterized that connection as "not invariably strong" because the purchaser's subsequent sale of the shares at a lower price "may reflect, not the earlier misrepresentation, but changed economic circumstances, changed investor ex-

pectations, [or] new industry-specific or firm-specific facts, conditions, or other events." *Id.* at 343. Thus, even if *Basic* were properly read to require an inquiry into market distortion as part of the class-certification decision, there would be no warrant for extending that inquiry to the distinct issue of loss causation.

3. The *Basic* Court held that courts may rely on a rebuttable presumption of reliance supported by the fraud-on-the-market theory. 485 U.S. at 250. The Court explained that the prerequisites for invoking the presumption are satisfied if the alleged misrepresentations were made publicly, the stock was traded in an efficient market, and the plaintiffs traded between the time of the alleged misrepresentations and the time the defendant made corrective statements. *Id.* at 241-242, 247. Even when those prerequisites have been satisfied, a defendant may rebut the presumption through "[a]ny showing that severs the link between the alleged misrepresentation and * * * the price received (or paid) by the plaintiff." *Id.* at 248. Under *Basic*, however, the *defendant* bears the burden of rebutting the presumption of reliance. See *id.* at 248-249; *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 483 (2d Cir. 2008) (*Salomon*) (explaining that, "[u]nder *Basic*, * * * the burden of showing that there was no price impact is properly placed on defendants at the rebuttal stage"). Thus, even if an inquiry into actual market distortion were part of the class-certification inquiry, and even if market distortion and loss causation could properly be equated, there would be no warrant for the Fifth Circuit's requirement that the named plaintiff must prove loss causation at the class-certification stage.

D. The Circuits Are In Conflict Over The Question Presented, And This Case Is A Suitable Vehicle To Resolve That Disagreement

1. In its recent decision in *Schleicher*, the Seventh Circuit expressly rejected the Fifth Circuit's requirement that loss causation be proven at the class-certification stage. 618 F.3d at 685-687 (Easterbrook, J.). The court stated that, "unlike the fifth circuit, [the Seventh Cicuit] do[es] not understand *Basic* to license each court of appeals to set up its own criteria for certification of securities class actions or to 'tighten' Rule 23's requirements." *Id.* at 686. Instead, the court explained, whether a securities-fraud class should be certified depends solely on the requirements of Rule 23, and a court may review the merits only as necessary to make "decisions essential" under that Rule. *Id.* at 681, 685. In the court's view, any "potential for class certification to create pressure for settlement" is to be addressed by Congress, not the federal courts. *Id.* at 686.

The Seventh Circuit also rejected the view that a plaintiff in a private securities class action must show loss causation to rely on the fraud-on-the-market presumption of reliance. The court explained that, under *Basic*, courts may presume that "the price of a well-followed and frequently traded stock reflects the public information about a company." *Schleicher*, 618 F.3d at 682. To invoke the presumption of reliance, the Seventh Circuit explained, the plaintiff must simply show that the "company's stock trades in a large and efficient market." *Ibid.* The court stated that the separate question of loss causation need not be addressed at the class-certification stage because the determination whether and when the stock price was affected by fraud "can be made on a class-wide basis, because it affects investors in com-

mon." *Id.* at 687. To require proof of loss causation before a class is certified, the court stated, would "put the cart before the horse." *Ibid.* Characterizing the Fifth Circuit's approach as "a go-it-alone strategy," and noting that it "has not been adopted by any other circuit," the Seventh Circuit expressly "disappove[d]" that approach. *Ibid.*

2. The Second Circuit has taken an intermediate approach, allowing some consideration of the merits of a securities-fraud action at the class-certification stage (like the Fifth Circuit) but declining to consider loss causation at that stage (like the Seventh Circuit). In *Salomon*, the Second Circuit held that "plaintiffs do not bear the burden of showing an impact on price" from misrepresentations because the "point of *Basic* is that an effect on market price is presumed based on the materiality of the information and a well-developed market's ability to readily incorporate that information into the price of securities." 544 F.3d at 483. Although the court in *Salomon* did not expressly address the Fifth Circuit's approach, or expressly disavow consideration of loss causation at the class-certification stage, it stated that the prerequisites set out in *Basic* are "all that is needed to warrant the presumption" of reliance and that plaintiffs need not show at class certification that the alleged misrepresentations "moved the market." *Id.* at 481-482. The Second Circuit thus does not require plaintiffs to prove price distortion, let alone loss causation, at the class-certification stage.

The Second Circuit does, however, permit greater consideration of the merits at the class-certification stage than does the Seventh Circuit. Rather than limit a court's certification analysis to whether the stock traded in an efficient market and the alleged misrepre-

sentations were made publicly, the court in *Salomon* stated that a court considering a class-certification request may "take and weigh evidence on whether the presumption can be rebutted." 544 F.3d at 484. In particular, the court stated that class certification is inappropriate if the defendant can demonstrate "that the market price was not affected by the alleged misstatements." *Id.* at 485.[2]

The Second Circuit reached that conclusion because it read *Basic* to hold "that a successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement." *Salomon*, 544 F.3d at 485.[3] In

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[2] Respondents contend (Br. in Opp. 8-9) that by allowing defendants to rebut the fraud-on-the-market presumption of reliance, the Second Circuit allows consideration of loss causation at the class-certification stage. That contention confuses reliance with loss causation. When the Second Circuit stated that defendants could rebut the presumption of reliance by showing that "the misrepresentation in fact did not lead to a distortion of price," 544 F.3d at 483-484, the court was addressing price distortion caused by a misstatement, not the cause of a plaintiff's later loss.

[3] As support for that proposition, the court in *Salomon* cited footnote 29 of this Court's opinion in *Basic*. See 544 F.3d at 485. In that footnote, this Court acknowledged a potential "incongruity between the assumption that Basic shares are traded on a well-developed, efficient, and information-hungry market, and the allegation that such a market could remain misinformed, and its valuation of Basic shares depressed, for 14 months, on the basis of the three public statements." 485 U.S. at 249 n.29. The Court stated that "[p]roof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as appropriate." *Ibid.* That analysis suggests that, if the evidence ultimately demonstrates that the distortive effect of a defendant's misstatements was cured as of a particular date, a class-certification order may be amended to exclude class members who purchased or sold shares after that date. Footnote 29 of the Court's opinion in *Basic* does not suggest, however, that a district court should make factual determinations regarding price distortion as part of its

Schleicher, by contrast, the Seventh Circuit rejected the defendants' contention that, "before certifying a class, a court must determine whether false statements materially affected the price." 618 F.3d at 685. The court explained that "[f]alsehood and materiality affect investors alike," and that "[i]t is possible to certify a class under Rule 23(b)(3) even though all statements turn out to have only trivial effects on stock prices. Certification is appropriate, but the class will lose on the merits." *Ibid.*

3. The question presented warrants this Court's consideration. This Court has characterized private securities-fraud actions as "an essential supplement to criminal prosecutions and civil enforcement actions," *Tellabs, Inc.*, 551 U.S. at 313, and has recognized that they "deter[] fraud" and "maintain public confidence in the marketplace," *Dura*, 544 U.S. at 345. These cases commonly proceed as class actions, and the lower courts regularly consider the prerequisites for class certification. See Pet. 15-17 (citing cases). And the impact of the Fifth Circuit's loss-causation rule is significant. As the Seventh Circuit observed in *Schleicher*, the Fifth Circuit's approach "make[s] certification impossible in many securities suits." 618 F.3d at 687.

This case provides an appropriate vehicle to resolve the existing circuit conflict. All agree that the question whether petitioner must prove loss causation to obtain class certification is dispositive in this case. The district court determined that the Rule 23 requirements for class certification had been met, and the court stated

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initial class-certification inquiry. To the contrary, the Court's statement that "[p]roof of that sort is a matter for trial," *ibid.*, strongly indicates that such an inquiry is inappropriate at a threshold stage of the litigation. See pp. 14-16, *supra*.

that it would have certified the class but for Fifth Circuit precedents requiring proof of loss causation at this stage of the suit. Pet. App. 4a. And the lower courts' extensive analyses of loss causation on the merits (*id.* at 11a-54a, 123a-136a) provide a vivid example of the effect of requiring plaintiffs to prove loss causation at the class-certification stage. Accordingly, this Court's review is warranted.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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DECEMBER 2010

JOINT APPENDIX

No. 09-1403

Supreme Court, U.S.
FILED
FEB 22 2011
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IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON COMPANY, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

JOINT APPENDIX – VOL. I of II (1a-445a)

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APPENDIX A — CHRONOLOGICAL LIST OF RELEVANT DOCKET ENTRIES

GENERAL DOCKET
UNITED STATES COURT OF APPEALS
FOR THE 5TH CIRCUIT

Court of Appeals Docket #: 08-11195

Docketed: 12/19/2008
Termed: 02/12/2010
Nature of Suit: 3850 Securities, Commodities, Exchange

The Archdiocese v. Halliburton Co, et al

Appeal From: Northern District of Texas, Dallas
Fee Status: fee paid

Filing Date	Docket Text
12/19/2008	Private civil federal case docketed. NOA filed by Appellant The Archdiocese. [08-11195] (GLP)
12/19/2008	Appearance form filed by Robb L Voyles for Appellee Halliburton Co, Samara Lackman Kline for Appellee Halliburton Co, Jessica B Pulliam for Appellee Halliburton Co, David D Sterling for Appellee Halliburton Co. [08-11195] (No. of forms filed: 4) (MKC)

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01/02/2009	Appearance form filed by Carl E Goldfarb for Appellant The Archdiocese, Caryl L Boies for Appellant The Archdiocese. [08-11195] (No. of forms filed: 2) (RFP)
01/05/2009	Fee paid by Appellant The Archdiocese. [08-11195] Fee ddl satisfied. (JRD)
01/06/2009	Notice received from Appellant The Archdiocese that transcript is already on file. [08-11195] Transcript Order ddl satisfied. Notice of Certified ROA due on 1/21/09. (MCS)
01/20/2009	Appearance form filed by Jenny LaNell Martinez for Appellee David J Lesar. [08-11195] (No. of forms filed: 1) (RFP)
01/20/2009	Appearance form filed by Robert Alan York for Appellee David J Lesar. [08-11195] (No. of forms filed: 1) (RFP)
01/20/2009	Appearance form filed by David Boies for Appellant The Archdiocese. [08-11195] (No. of forms filed: 1) (RFP)
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02/17/2009	NOTICE RECEIVED FROM DISTRICT COURT.Record Part: Sup ROA Cert by DCt, Action Type: FILED Certified ROA due deadline satisfied. [08-11195] (MCS)
02/17/2009	NOTICE RECEIVED FROM DISTRICT COURT. Record Part: Sup ROA Cert by DCt, Action Type: FILEDCertified ROA due deadline satisfied. [08-11195] (MCS)
03/25/2009	BRIEFING NOTICE ISSUED A/Pet's Brief Due on 05/04/2009 for Appellant The Archdiocese of Milwaukee Supporting Fund, Inc. [08-11195] (MCS)
05/05/2009	APPELLANT'S BRIEF FILED by The Archdiocese of Milwaukee Supporting Fund, Inc. # of Copies Provided: 8 A/Pet's Brief deadline satisfied. Appellee's Brief due on 06/04/2009 for Appellee Halliburton Co and Appellee David J Lesar [08-11195] (GRM)
05/05/2009	RECORD EXCERPTS FILED by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc. # of Copies Provided: 5 [08-11195] (GRM)

Appendix A

05/20/2009	APPEARANCE FORM FILED by Attorney(s) Donald E. Godwin for party(s) Appellee David J Lesar, in case 08-11195 [08-11195] (CHS)
06/08/2009	APPELLEE'S BRIEF FILED by Halliburton Co and Mr. David J Lesar.. # of Copies Provided: 7 E/Res's Brief deadline satisfied. Reply Brief due on 06/22/2009 for Appellant The Archdiocese of Milwaukee Supporting Fund, Inc [08-11195] (GRM)
06/08/2009	RECORD EXCERPTS FILED by Appellees Halliburton Co and Mr. David J Lesar. # of Copies Provided: 4 [08-11195] (GRM)
06/08/2009	ATTORNEY NOT PARTICIPATING. Gonzalez, Kline, Medlin, Hail, Hurst, Quinn, Ronquillo, Johanns is designated as inactive in this case. Reason:No appearance forms on file. [08-11195] (GRM)
06/24/2009	UNOPPOSED MOTION filed by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc for leave to file brief out of time [6308913-2] Brief Tendered?No, alternatively, to extend time to file reply brief until 06/30/2009 [6308913-3]. Date of Service: 06/23/2009 [08-11195] (DMS)

Appendix A

06/24/2009	CLERK ORDER granting motion to extend time to file reply brief filed by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc [6308913-3] Reply Brief deadline updated to 06/30/2009 for Appellant The Archdiocese of Milwaukee Supporting Fund, Inc; granting motion to file brief out of time filed by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc [6308913-2]. [08-11195] (GRM)
07/01/2009	APPELLANT'S REPLY BRIEF FILED by The Archdiocese of Milwaukee Supporting Fund, Inc.. # of Copies Provided: 8 Reply Brief deadline satisfied [08-11195] (GRM)
07/01/2009	RECORD ON APPEAL FILED. Record Part: Electronic Pleadings, No. of Volumes: 65; Record Part: Paper Transcript, No. of Volumes: 5; Record Part: Exhibits, Comments: 1 box (attachments to documents)(ALWAYS SEND TO ROA) [08-11195] (GRM)
07/01/2009	1st SUPPLEMENTAL RECORD ON APPEAL FILED. Record Part: SuppPaper Transcript, No. of Volumes: 2 [08-11195] (GRM)

07/02/2009	SUPPLEMENTAL ROA REQUESTED FROM DISTRICT COURT. Requested sealed transcript. ROA due on 07/17/2009 [08-11195] (SEP)
07/10/2009	SUPPLEMENTAL AUTHORITIES (FRAP 28j) FILED by Appellee Halliburton Co (Send to Screening Judge and Panel) [08-11195] (GRM)
07/15/2009	2nd SUPPLEMENTAL RECORD ON APPEAL FILED. Record Part: SuppPaper Transcript, No. of Volumes: 1; Record Part: SEALED EXHIBITS, Comments: 1 env. (transcript) [08-11195] (GRM)
08/27/2009	SUPPLEMENTAL AUTHORITIES (FRAP 28j) FILED by Appellees Halliburton Co and Mr. David J Lesar [08-11195] (GRM)
10/14/2009	CASE TENTATIVELY calendared for oral argument for the week of 11/30/2009. [08-11195] (GAM)
10/22/2009	CASE CALENDARED for oral argument on 12/01/2009 in New Orleans in the West Courtroom -- AM session. [08-11195] (VLB)
12/01/2009	ORAL ARGUMENT HEARD before Judges Reavley, Clement, Southwick.

Appendix A

	Arguing Person Information Updated for: David Boies arguing for Appellant Inc The Archdiocese of Milwaukee Supporting Fund; Arguing Person Information Updated for: David D Sterling arguing for Appellee Halliburton Co, and David J. Lesar. [08-11195] (VLB)
02/12/2010	PUBLISHED OPINION FILED. [08-11195 Affirmed] Judge: TMR , Judge: EBC , Judge: LHS Mandate pull date is 03/05/2010 [08-11195] (RMF)
02/12/2010	JUDGMENT ENTERED AND FILED. [08-11195] (RMF)
03/08/2010	MANDATE ISSUED. Mandate pull date satisfied. [08-11195] (MBC)
05/24/2010	SUPREME COURT NOTICE that petition for writ of certiorari [6541409-2] was filed by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc on 05/13/2010. Supreme Court Number: 09-1403. [08-11195] (CAV)
02/04/2011	SUPREME COURT ORDER received granting petition for writ of certiorari filed by Appellant The Archdiocese of Milwaukee Supporting Fund, Inc in 08-11195 on 01/07/2011. [6733957-1] [08-11195] (CAV)

Appendix A

02/10/2011	RECORD ON APPEAL REQUESTED from the district court for the Supreme Court. 7 volumes of paper pleadings and 1 sealed transcript was requested. [08-11195] (NFD)
02/10/2011	CERTIFIED RECORD ON APPEAL TRANSMITTED to United States Supreme Court on 02/10/2011. 5th Circuit Volumes Transmitted: 2. [08-11195] (NFD)

Appendix A

KAPLAN, LEAD, JURY, APPEAL

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
CIVIL DOCKET FOR CASE #: 3:02-cv-01152-M

The Archdiocese of Milwaukee
Supporting Fund, Inc., et al

v.

Halliburton Company, et al

Assigned to: Judge Barbara M.G. Lynn
Referred to:
Demand: $0
Lead Docket: None
Related Case: 3:02-cv-01152-M
Case in other court: None
Cause: 15:78m(a) Securities Exchange Act

Date Filed: 06/03/2002
Jury Demand: Plaintiff
Nature of Suit: 850
Securities/Commodities
Jurisdiction: Federal Question

Filing Date	#	Docket Text
06/03/2002	1	Class Action COMPLAINT for violations of the Federal Securities Laws filed. Filing Fee $ 150.00 Receipt # 169594 (15+) (jrb) (Entered: 06/04/2002)

Appendix A

06/03/2002	1	DEMAND for jury trial by plaintiff Richard Moore (jrb) (Entered: 06/04/2002)
06/03/2002	2	SUMMONS(ES) issued for defendant Halliburton Co (issued-1) (jrb) (Entered: 06/04/2002)
06/03/2002		PRELIMINARY ASSIGNMENT TO Magistrate Judge Jeff Kaplan (jrb) (Entered: 06/04/2002)
06/25/2002	3	RETURN OF SERVICE executed 6/20/02 upon Arthur Anderson to appear on 7/22/02 at 9:30am at the Office of Stanley, Mandel and Iola LLP (7) (jyg) (Entered: 06/26/2002)
07/01/2002	4	STIPULATION by plaintiff Richard Moore, defendant Halliburton Co to enlarge time for dft to respond to plaintiff's securities complaint. (5) (jrb) (Entered: 07/02/2002)
07/02/2002	5	WAIVER OF SERVICE Returned Executed as to Halliburton Co 6/4/02 Answer due on 8/5/02 for Halliburton Co (2) (jrb) (Entered: 07/03/2002)
08/02/2002	6	MOTION by plaintiff Richard Moore for consolidation and transfer of related cases, for appt of the Archidiocese of Milwaukee Supporting Fund, Inc and

		John Miletello as lead plaintiffs and for approval of lead plaintiffs' selection of counsel (11) (jrb) (Entered: 08/05/2002)
08/02/2002	7	MEMORANDUM by plaintiff Richard Moore in support of [6-1] motion for consolidation and transfer of related cases, for appt of the Archidiocese of Milwaukee Supporting Fund, Inc and John Miletello as lead plaintiffs and for approval of lead plaintiffs' selection of counsel (15+)(exhibits not imaged) (jrb) (Entered: 08/05/2002)
08/02/2002	8	MOTION by movant Benec Group for appointment as lead plaintiffs and approval of their selection of lead counsel (2) (jrb) (Entered: 08/05/2002)
08/02/2002	9	MEMORANDUM by movant Benec Group in support of [8-1] motion for appointment as lead plaintiffs and approval of their selection of lead counsel (11) (jrb) (Entered: 08/05/2002)
08/02/2002	10	Declaration of William B Federman in support Re: [8-1] motion for appointment as lead plaintiffs and approval of their selection of lead counsel (15+) (jrb) (Entered: 08/05/2002)
08/02/2002	11	CERTIFICATE OF SERVICE Re: [10-1] affidavit, [9-1] support memorandum,

[8-1] motion for appointment as lead plaintiffs and approval of their selection of lead counsel by movant Benec Group (3) (jrb) (Entered: 08/05/2002)

08/05/2002 12 MOTION by movant Private Asset Mgmt to consolidate actions, to be appointed lead plaintiff, for approval of lead plaintiff's selection of lead counsel and liaison counsel (8) (jrb) Modified on 08/07/2002 (Entered: 08/06/2002)

08/05/2002 13 MEMORANDUM by movant Private Asset Mgmt in support of [12-1] motion to consolidate actions, to be appointed lead plaintiff, for approval of lead plaintiff's selection of lead counsel and liaison counsel (15+) (jrb) (Entered: 08/07/2002)

08/05/2002 14 AFFIDAVIT of John G Emerson Re: [12-1] motion to consolidate actions, to be appointed lead plaintiff, for approval of lead plaintiff's selection of lead counsel and liaison counsel (15+) (jrb) (Entered: 08/07/2002)

08/07/2002 15 Corrected MEMORANDUM by movant Benec Group in support of [8-1] motion for appointment as lead plaintiffs and approval of their selection of lead counsel (13) (jrb) (Entered: 08/08/2002)

08/12/2002	16	ORDER TO CONSOLIDATE The following cases are ordered closed and consolidated under case 3:02cv1152-L: 3:02cv1168-L, 3:02cv1238-L, 3:02cv1247-L, 3:02cv1248-L, 3:02cv1261-L, 3:02cv1267-L, 3:02cv1268-L, 3:02cv1368-L, 3:02cv1633-L, 3:02cv1634-L. (Signed by Judge Sam A. Lindsay) Copies to counsel: 8.12.02 Page(s) 2 (mlh) Modified on 08/12/2002 (Entered: 08/12/2002)
08/12/2002		Consolidated Lead Case (mlh) (Entered: 08/13/2002)
08/12/2002	17	ORDER REASSIGNING CASE/ SPECIAL ORDER NO. 3-211 Effective 8/12/02, the cases listed on Exhibit A attached to this Order are transferred from the docket of Honorable Sam Lindsay to the docket of Honorable David C. Godbey and shall henceforth carry the suffix letter "N". The clerk of court will notify counsel by providing to each counsel a copy of this Order with attached exhibit. (Pages 2) (Signed by Judge A. Joe Fish) Copies to counsel: 8/13/02 Page(s) 2 (jrb) (Entered: 08/13/2002)
08/27/2002	18	JOINT STIPULATION See order for specifics. (Signed by Judge David C. Godbey) Copies to counsel: 8/27/02 Page(s) 5 (aat) (Entered: 08/27/2002)

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10/22/2002	19	MOTION by consolidated defendant Arthur Andersen LLP to substitute Lea F Courington and Lindsey C Cummings for Jonathan C. Medow, John J. Tharp, and Brian J. Massengill (11) (aat) (Entered: 10/23/2002)
10/24/2002	20	ORDER SUBSTITUTING COUNSEL granting [19-1] motion to substitute Lea F Courington and Lindsey C Cummings for Jonathan C. Medow, John J. Tharp, and Brian J. Massengill. (Signed by Judge David C. Godbey) Copies to counsel: 10/25/02 Page(s) 6 (aat) (Entered: 10/25/2002)
12/06/2002	21	ORDER TO CONSOLIDATE The Court consolidates the following cases: 3:02CV1532-N, 3:02CV1615-N, 3:02CV2067-N, 3:02CV2082-N, 3:02CV2089-N, 3:02CV2129-N, 3:02CV2130-N, 3:02CV2373-N. Ordered that the aforementioned cases be closed and consolidated under 3:02CV1152-N, and that the consolidated case be styled Richard Moore, et al v. Halliburton Co., et al. All pleadings shall be filed under 3:02CV1152-N. (Signed by District Judge David C. Godbey) Copies to counsel: 12/6/02 Page(s) 2 (aat) (Entered: 12/06/2002)

12/06/2002		Consolidated Lead Case (aat) (Entered: 12/06/2002)
12/06/2002	22	JOINT STIPULATION AND PRETRIAL ORDER NO. 1 CONSOLIDATING THE ACTIONS, APPOINTING LEAD PLAINTIFFS AND APPROVING LEAD PLAINTIFFS' SELECTION OF LEAD COUNSEL, EXECUTIVE COMMITTEE AND CO-LIASON COUNSEL. See order for specifics. (Signed by Judge David C. Godbey) Copies to counsel: 12/6/02 Page(s) 20 (aat) (Entered: 12/06/2002)
01/15/2003	23	MOTION by defendant Halliburton Co, consolidated defendant Gary V Morris, consolidated defendant David J Lesar for John H. Mathias, Jr., David M. Kroeger adn John P. Wolfsmith of Jenner & Block, LLC to withdraw as attorney (5) (aat) (Entered: 01/16/2003)
01/29/2003	24	OPPOSED MOTION by movant Private Asset Mgmt, movant Archdiocese of Mil, movant Forrest Lead Plainti, movant Benec Group to extend time to file consolidated amended complaint (9) (aat) (Entered: 01/30/2003)
01/31/2003	25	SUPPLEMENTAL DOCUMENT/ Supplement to [24-1] motion to extend

		time to file consolidated amended complaint by movant Private Asset Mgmt, movant Benec Group, movant Forrest Lead Plainti, movant Archdiocese of Mil and notice that such mtn is unopposed. (8) (jrb) Modified on 02/03/2003 (Entered: 02/03/2003)
01/31/2003	26	ORDER granting [24-1] motion to extend time to file consolidated amended complaint..on or before 2/25/03. (Signed by Judge David C. Godbey) Copies to counsel: 2/3/03 Page(s) 1 (jrb) (Entered: 02/03/2003)
02/20/2003	27	JOINT STIPULATION extending time to file consolidated amended complaint by Arthur Andersen LLP, Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 02/21/2003)
02/28/2003	28	ORDER granting joint stipulation extending time to file consolidated amended complaint. Amended Pleading due by 4/11/2003. No additional extensions will be granted. (Signed by Judge David C Godbey on 2/28/03) (aat,) (Entered: 03/03/2003)
03/11/2003	29	NOTICE OF CHANGE OF FIRM NAME AND ADDRESS by Corey D

Holzer. New address is: Holzer Holzer & Cannon LLC, 1117 Perimeter Center West, Suite E-107, Atlanta, GA 30338. (aat,) (Entered: 03/12/2003)

04/11/2003 30 CONSOLIDATED AMENDED CLASS ACTION COMPLAINT against Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr, filed by Forrest Lead Plaintiffs, Private Asset Management, The Archdiocese of Milwaukee Supporting Fund, Inc., and Paul J. Benec. (aat,) (Entered: 04/14/2003)

04/30/2003 31 ORDER granting 23 motion to withdraw as attorney. Jenner & Block, LLC, John H. Mathias, Jr., David M. Kroeger and John P. Wolfsmith are relieved of any further responsibility as counsel for Halliburton Company. (Signed by Judge David C Godbey on 4/30/03) (aat,) (Entered: 05/01/2003)

06/02/2003 32 MOTION to amend/Correct 30 amended class action complaint, by Paul J Benec, Gabriel T Forrest, Private Asset Management, The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged) (aat,) (Entered: 06/02/2003)

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06/10/2003	33	RESPONSE in Opposition re 32 MOTION to Amend/Correct 30 Amended Complaint, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 06/11/2003)
06/10/2003	34	DECLARATION of Willie C. Briscoe re 33 Response in Opposition to motion for leave to amend consolidated amended class action complaint by The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged) (aat,) (Entered: 06/11/2003)
06/13/2003	35	MOTION for Order to Show Cause by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 06/16/2003)
06/13/2003	36	Memorandum in Support re 35 MOTION for Order to Show Cause filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 06/16/2003)
06/13/2003	37	AFFIDAVIT of Willie Briscoe re 35 MOTION for Order to Show Cause by The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged) (aat,) (Entered: 06/16/2003)
06/16/2003	38	AMENDED MOTION to Amend/Correct 30 Amended consolidated class action

		complaint, by Paul J Benec, Gabriel T Forrest, Private Asset Management. (Exhibits not imaged) (aat,) (Entered: 06/17/2003)
06/19/2003	39	STATEMENT concerning 35 MOTION for Order to Show Cause filed by Paul J Benec. (aat,) (Entered: 06/20/2003)
06/25/2003	40	RESPONSE in Opposition re 38 purportedly amended and unopposed motion to amend 30 consolidated amended class action complaint; (and REQUEST for temporary stay and oral argument) filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 06/26/2003)
06/25/2003		(Response in Opposition re 38 purportedly amended and unopposed motion to amend 30 consolidated amended class action complaint); and REQUEST for temporary stay and oral argument filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) See #40 for image. (Entered: 06/26/2003)
06/30/2003	41	Application and Order for appearance pro hac vice by Patrick Slyne for Gabriel T Forrest. (Signed by Judge David C Godbey on 6/30/03) Copy to Slyne. (aat,) (Entered: 07/01/2003)

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06/30/2003	42	Application and Order for appearance pro hac vice by Jules Brody for Gabriel T Forrest. (Signed by Judge David C Godbey on 6/30/03) Copy to Brody. (aat,.) (Entered: 07/01/2003)
07/03/2003	43	MEMORANDUM in Opposition re 35 MOTION for Order to Show Cause filed by Private Asset Management. (aat,) (Entered: 07/07/2003)
07/03/2003	44	DECLARATION of John C. Sherwood in support of 43 memorandum in Opposition to AMS' motion for order to show cause. (Exhibits not imaged) (aat,) (Entered: 07/07/2003)
07/03/2003	45	STATEMENT regarding 35 MOTION for Order to Show Cause filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 07/07/2003)
07/07/2003	46	CERTIFICATE OF SERVICE by Private Asset Management re 43 Memorandum in Opposition to motion for order to show cause. (aat,) (Entered: 07/08/2003)
07/07/2003	47	CERTIFICATE OF SERVICE by Private Asset Management re 44

declaration of John C. Sherwood. (aat,) (Entered: 07/08/2003)

07/18/2003 48 REPLY MEMORANDUM to Response to Motion re 35 MOTION for Order to Show Cause filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 07/22/2003)

07/18/2003 49 AFFIDAVIT of Willie Briscoe re 48 Reply Memorandum to Response to Motion for order to show cause by The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged) (aat,) (Entered: 07/22/2003)

07/28/2003 50 REQUEST for Oral Argument re 35 MOTION for Order to Show Cause by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 07/29/2003)

07/31/2003 51 Application and Order for appearance pro hac vice by Neil Rothstein for Diana L Parkes (Signed by Judge David C Godbey on 7/31/03) (aat,) (Entered: 08/01/2003)

08/05/2003 52 NOTICE of Change of Firm Name and Address by John G Emerson Jr, Scott E Poynter. New address is: Emerson Poynter LLP, 830 Apollo Lane, Houston, TX 77058. (aat,) (Entered: 08/05/2003)

Appendix A

08/07/2003	53	ORDER: Oral Argument is set for 8/25/2003 at 03:00 PM before Judge David C Godbey re: motion for order to show cause. (Signed by Judge David C Godbey on 8/7/03) (aat,) (Entered: 08/07/2003)
08/12/2003	54	Application and Order for Admission Pro Hac Vice by Richard S Schiffrin for Private Asset Management (Signed by Judge David C Godbey on 8/12/03) (aat,) (Entered: 08/13/2003)
08/12/2003	55	Application and Order for Admission Pro Hac Vice by Marc I Willner for Private Asset Management (Signed by Judge David C Godbey on 8/12/03) Copy to Willner (aat,) (Entered: 08/13/2003)
08/25/2003	56	Minute Entry for proceedings held before Judge David C Godbey : Show Cause Motion Hearing held on 8/25/03 re: 35 MOTION for Order to Show Cause filed by The Archdiocese of Milwaukee Supporting Fund, Inc. The motion is denied without prejudice. (Court Reporter Linda Robbins.) (aat,) (Entered: 08/26/2003)
08/27/2003	57	NOTICE of written objections to subpoena duces tecum to Arthur Andersen LLP by Arthur Andersen LLP (aat,) (Entered: 08/28/2003)

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09/02/2003	58	TRANSCRIPT of hearing on motion to show cause held on August 25, 2003 before Judge David C. Godbey. Court Reporter: Linda Robbins. (Not imaged) (USC) (aat,) (Entered: 09/03/2003)
10/03/2003	59	NOTICE of change of facsimile number by Theodore Carl Anderson III. New number is: 214-292-8578. (aat,) (Entered: 10/06/2003)
12/16/2003	60	MOTION to require plaintiff Archdiocese of Milwaukee Supporting Fund to produce certain information by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 12/17/2003)
12/16/2003	61	BRIEF in support re 60 motion to require plaintiff Archdiocese of Milwaukee Supporting Fund to produce certain information filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 12/17/2003)
12/16/2003	62	APPENDIX in support re 60 motion to require plaintiff Archdiocese of Milwaukee Supporting Fund to produce certain information filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles

Muchmore Jr. (Not imaged) (aat,) (Entered: 12/17/2003)

01/08/2004 63 RESPONSE in opposition re 60 motion to require production of certain information filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged) (USC) (aat,) (Entered: 01/09/2004)

01/26/2004 64 REPLY BRIEF to response to motion re 60 motion to require plaintiff Archdiocese of Milwaukee Supporting Fund to produce certain information filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 01/27/2004)

01/28/2004 65 ORDER granting 32 motion to amend consolidated amended class action complaint, denying 38 amended motion to amend consolidated amended class action complaint, and denying [] request for temporary stay and oral argument. (Signed by Judge David C Godbey on 1/28/04) (aat,) (Entered: 01/29/2004)

01/30/2004 66 MOTION to stay actions pending settlement hearing by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 02/03/2004)

01/30/2004	67	BRIEF in support re 66 motion to stay actions pending settlement hearing filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 02/03/2004)
01/30/2004	68	APPENDIX in support re 66 motion to stay actions pending settlement hearing filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (Not imaged) (aat,) (Entered: 02/03/2004)
02/24/2004	69	AGREED MOTION to extend time to respond to defendants' motion to stay actions by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 02/24/2004)
02/27/2004	70	RESPONSE in opposition re 66 motion to stay actions pending settlement hearing filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 03/01/2004)
03/01/2004	71	ORDER granting 69 agreed motion to extend time to respond to defendants' motion to stay actions until 2/27/04. (Signed by Judge David C Godbey on 3/1/4) (aat,) (Entered: 03/02/2004)

03/16/2004	72	NOTICE of attorney appearance by David L Horan, Wes Loegering, Robert Edwin Davis on behalf of Douglas L Foshee, R Charles Muchmore Jr (aat,) (Entered: 03/17/2004)
03/16/2004	73	REPLY BRIEF to response to motion re 66 motion to stay actions pending settlement hearing filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 03/17/2004)
03/18/2004	74	NOTICE of attorney appearance by Jason L Cagle, Timothy R McCormick on behalf of Gary V Morris. (aat,) (Entered: 03/18/2004)
03/30/2004	75	ORDER CONSOLIDATING ACTIONS. Civil Action No. 3:03CV1965-N is consolidated into this action. All pleadings are to be filed in this action. (Signed by Judge David C Godbey on 3/30/04) (aat,) (Entered: 03/31/2004)
04/08/2004	76	AGREED MOTION to establish briefing schedule by Douglas L Foshee, Halliburton Company, John Kimble, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 04/09/2004)

04/09/2004 77 ORDER granting 76 agreed motion to establish briefing schedule. Defendants will file an answer or motion to dismiss or other responsive pleading to the amended complaint by 5/10/04. Plaintiff shall file a response to defendants' motion to dismiss, of one is filed, by 6/18/04. Defendants shall file a reply by 7/9/04 if a response is filed. (Signed by Judge David C Godbey on 4/9/04) (aat,) (Entered: 04/12/2004)

04/19/2004 78 MOTION seeking clarification of 3/30/04 consolidation order and relieving defendants of the need to respond to the amended complaint filed in an action recently consolidated with Moore et al v. Halliburton, et al and REQUEST for expedited ruling by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 04/20/2004)

04/19/2004 79 BRIEF in support re 78 motion seeking clarification of 3/30/04 consolidation order and relieving defendants of the need to respond to the amended complaint filed in an action recently consolidated with Moore et al v. Halliburton, et al and request for expedited ruling filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris,

R Charles Muchmore Jr. (aat,) (Entered: 04/20/2004)

04/29/2004 80 AGREED MOTION regarding response to second amended consolidated class action complaint by Douglas L Foshee, Halliburton Company, David J Lesar, Richard Moore, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 04/30/2004)

04/29/2004 81 UNOPPOSED MOTION to extend page limitations relating to motion to dismiss by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 04/30/2004)

05/03/2004 82 ORDER granting 81 unopposed motion to extend page limitations relating to motion to dismiss filed by defendants. (Signed by Judge David C Godbey on 4/30/04) (aat,) (Entered: 05/04/2004)

05/03/2004 83 ORDER granting 80 agreed motion regarding response to second amended consolidated class action complaint. No answer, motion to dismiss, or other response by defendants shall be due to the second amended consolidated class action complaint pending the Court's ruling at the preliminary fairness

		hearing. (Signed by Judge David C Godbey on 4/30/04) (aat,) (Entered: 05/04/2004)
05/10/2004	84	MOTION to dismiss amended class action complaint of John Kimble by R Charles Muchmore Jr (aat,) (Entered: 05/11/2004)
05/10/2004	85	MOTION to dismiss amended class action complaint of John Kimble by Douglas L Foshee (aat,) (Entered: 05/11/2004)
05/10/2004	86	BRIEF in support re 85 motion to dismiss amended class action complaint of John Kimble filed by Douglas L Foshee. (aat,) (Entered: 05/11/2004)
05/10/2004	87	RESPONSE in opposition re 78 motion seeking clarification of 3/30/04 consolidation order filed by John Kimble. (aat,) (Entered: 05/11/2004)
05/10/2004	88	BRIEF in support re 84 motion to dismiss amended class action complaint of John Kimble filed by R Charles Muchmore Jr. (aat,) (Entered: 05/11/2004)
05/10/2004	89	MOTION to dismiss by David J Lesar with brief in support. (aat,) (Entered: 05/11/2004)

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05/10/2004	90	JOINT MOTION to dismiss amended class action complaint of John Kimble by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr (aat,) (Entered: 05/11/2004)
05/10/2004	91	BRIEF in support re 90 joint motion to dismiss amended class action complaint of John Kimble filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (aat,) (Entered: 05/11/2004)
05/10/2004	92	APPENDIX in support re 90 joint motion to dismiss amended class action complaint of John Kimble filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (Exhibits not imaged) (aat,) (Entered: 05/11/2004)
05/10/2004	93	MOTION for preliminary approval of settlement by Paul J Benec, Gabriel T Forrest, Private Asset Management with memorandum. (aat,) (Entered: 05/11/2004)
05/10/2004	94	STIPULATION and agreement of settlement by Paul J Benec, Gabriel T Forrest, Douglas L Foshee, David J Lesar, Gary V Morris, R Charles Muchmore

Jr, Private Asset Management. (aat,) (Entered: 05/11/2004)

05/20/2004 95 Minute Entry for proceedings held before Judge David C Godbey : Settlement hearing held on 5/20/04. Defendants' motion to stay and the motion seeking clarification of 3/30/04 consolidation order are withdrawn. (Court Reporter Linda Robbins.) (aat,) (Entered: 05/21/2004)

05/24/2004 96 RESPONSE in opposition re 93 motion for preliminary approval of settlement filed by The Archdiocese of Milwaukee Supporting Fund, Inc. and John Kimble. (aat,) (Entered: 05/25/2004)

06/01/2004 97 Application and Order for Admission Pro Hac Vice by Arthur L Shingler for John Kimble and The Archdiocese of Milwaukee Supporting Fund, Inc. (Signed by Judge David C Godbey on 5/28/04) (klm,) (Entered: 06/02/2004)

06/01/2004 98 REVISED STIPULATION and Agreement of Settlement by Paul J Benec, Gabriel T Forrest, Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr, Private Asset Management. (nap,) Modified on 6/3/2004 (nap,) (Entered: 06/02/2004)

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06/07/2004	99	ORDER granting 93 motion for preliminary approval order in connection with settlement proceedings. A settlement fairness hearing is set for 8/26/04 at 2:00PM. See order for further specifics. (Signed by Judge David C Godbey on 6/7/04) (aat,) (Entered: 06/09/2004)
06/07/2004		Set/Reset Hearings: Fairness Hearing set for 8/26/2004 at 02:00 PM before Judge David C Godbey. (aat,) (Entered: 06/09/2004)
06/08/2004	100	UNOPPOSED MOTION to extend page limitations relating to plaintiff John Kimble's opposition to motion to dismiss by John Kimble (aat,) (Entered: 06/09/2004)
06/17/2004	101	ORDER granting 100 unopposed motion to extend page limitation relating to plaintiff John Kimble's opposition to motion to dismiss. (Signed by Judge David C Godbey on 6/17/04) (aat,) (Entered: 06/18/2004)
06/24/2004	102	TRANSCRIPT of Proceedings held on May 20, 2004 before Judge Godbey. Court Reporter: Linda Robbins. (USC, Not Imaged) (kdc,) (Entered: 06/25/2004)

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07/02/2004	103	NOTICE of change of firm name and address by Eric J Belfi. New address is: Murray, Frank & Sailer LLP, 275 Madison Avenue, Suite 801, New York, NY 10016. (aat,) (Entered: 07/06/2004)
07/16/2004	104	ORDER denying as moot 60 motion to produce certain information. (Signed by Judge David C Godbey on 7/16/04) (aat,) (Entered: 07/19/2004)
08/03/2004	105	MOTION for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action by Ben Alan Murphey, John Kimble, The Archdiocese of Milwaukee Supporting Fund, Inc. (aat,) (Entered: 08/04/2004)
08/03/2004	106	DECLARATION in support of 105 motion for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action by John Kimble, Ben Alan Murphey, The Archdiocese of Milwaukee Supporting Fund, Inc.. (aat,) (Entered: 08/04/2004)
08/09/2004	107	Court Request for Recusal: Judge David C Godbey recused. Case reassigned to Judge Barbara M. G. Lynn for all further proceedings. (svc,) (Entered: 08/10/2004)

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08/10/2004	108	ORDER: The judge to whom this case initially assigned having recused himself, it is ordered that this case be assigned to the docket of the Honorable Barbara M.G. Lynn and should reflect the following case no. 3:02-CV-1152-M (Signed by Judge A. Joe Fish on 8/10/04) (klm,) (Entered: 08/10/2004)
08/12/2004	109	NOTICE of Pendency of Class Action, Derivative Action Hearing on Proposed Settlement, and Attorneys' Fee Petition and Right to Share in Settlement Fund by Plaintiffs. (nap,) (Entered: 08/13/2004)
08/13/2004	110	Memorandum in Objection and Opposition to the Fairness of the Proposed Class Settlement, Opposition to the Proposed Murphey Complaint and Request for Leave for Sixty Day Extension to Seek a Negotiated Fair Settlement and Resolution of this Class Action filed by Patricia A Magruder. (nap,) (Entered: 08/16/2004)
08/13/2004	111	AFFIDAVIT of Craig M. Walker in Opposition to the Proposed Class Settlement and in Opposition to the Filing of the Propsed Murphey Complaint by Patricia A Magruder. (nap,) (Entered: 08/16/2004)

08/13/2004 112 MOTION for Sanctions by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 08/16/2004)

08/13/2004 113 Opposition to 105 Motion for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action and Memorandum in Support of 112 MOTION for Sanctions filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 08/16/2004)

08/13/2004 114 Appendix in Support of 113 Opposition to Motion for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action, filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 08/16/2004)

08/18/2004 115 MOTION for Reconsideration of Preliminary Settlement Approval Due to Judge Godbey's Recusal by John Kimble, The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) Additional attachment(s) added on 8/19/2004 (nap,). (Entered: 08/19/2004)

08/18/2004	116	Objection to Proposed Halliburton Securities Fraud Litigation Settlement filed by John Kimble, Ben Alan Murphey, The Archdiocese of Milwaukee Supporting Fund, Inc. (Exhibits not imaged/100+ pages) (nap,) (Entered: 08/19/2004)
08/18/2004	117	NOTICE of Intention to Appear at the Hearing on the Proposed Class Settlement and Designation of Additional Facts and Documents in Opposition to the Settlement by Patricia A Magruder. (nap,) (Entered: 08/19/2004)
08/18/2004	118	Objections to Class Action Settlement filed by William A Hoffman IV. (nap,) (Entered: 08/19/2004)
08/18/2004	119	NOTICE of Intention to Appear by William A Hoffman IV. (nap,) (Entered: 08/19/2004)
08/19/2004		NOTICE of Document Modification by Deputy Clerk regarding MOTION for Reconsideration 115. (nap,) (Entered: 08/19/2004)
08/19/2004	120	MOTION for Attorney Fees and for Reimbursement of Expenses with Memorandum of Law in Support by Paul J Benec, Gabriel T Forrest, Private

Asset Management. (nap,) Modified on 8/23/2004 (nap,). (Entered: 08/20/2004)

08/19/2004 121 MOTION with Memorandum of Law in Support for Final Approval of Class Action Settlement and Plan of Allocation by Paul J Benec, Gabriel T Forrest, Private Asset Management. (nap,) (Entered: 08/23/2004)

08/19/2004 122 Declaration of Marc I. Willner in Support of 121 MOTION for Final Approval of Class Action Settlement and Plan of Allocation, and 120 MOTION for Attorney Fees and for Reimbursement of Expenses, by Paul J Benec, Gabriel T Forrest, Private Asset Management. (USC/100+ pages exhibits not imaged) (nap,) (Entered: 08/23/2004)

08/20/2004 123 MOTION to Continue Final Settlement Approval Evidentiary Hearing by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 08/23/2004)

08/23/2004 124 ORDER denying 123 Motion to Continue Final Settlement Approval Evidentiary Hearing. (Signed by Judge Barbara M. G. Lynn on 8/23/04) (nap,) (Entered: 08/23/2004)

08/23/2004 125 RESPONSE in Opposition to 123 MOTION to Continue Final Settlement

Approval Evidentiary Hearing filed by Settling Lead Plaintiffs Paul J Benec, Gabriel T Forrest, Private Asset Management. (nap,) (Entered: 08/25/2004)

08/23/2004 126 CERTIFICATE OF SERVICE by Paul J Benec, Gabriel T Forrest, Private Asset Management re 125 Response in Opposition. (nap,) (Entered: 08/25/2004)

08/23/2004 127 RESPONSE in Opposition to 123 MOTION to Continue Final Settlement Approval Evidentiary Hearing filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 08/25/2004)

08/26/2004 130 Minute Entry for proceedings held before Judge Barbara M. G. Lynn: Settlement Fairness Hearing held on 8/26/04. The Court heard from Counsel & Objections to the proposed settlement. The Court has taken the matter under advisement and an Order will follow. (Court Reporter Sue Engledow.) (nap,) (Entered: 09/02/2004)

08/30/2004 128 ORDER. The Court is in receipt of 2 separate documents from Neil D.

Espinet...directed to this Court and styled "Espinet v. Halliburton." The Court is returning these documents to Mr. Espinet and puts him on notice that these documents do not appear to be related to this case, but appear to reflect a desire to commence litigation. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 8/30/04) (nap,) (Entered: 08/31/2004)

08/30/2004 129 REPLY in Support of 105 MOTION for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 08/31/2004)

08/31/2004 131 ORDER. The Court today received another document from Neil D. Espinet,...directed to this Court and styled Espinet v. Halliburton. The Court is again returning this document to Mr. Espinet and puts him on notice that this document does not appear to be related to this case, but appears to reflect a desire to commence litigation. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 8/31/04) (nap,) (Entered: 09/02/2004)

09/07/2004 132 NOTICE of change of address by Thomas E Bilek. New address is: Hoeffner & Bilek, LLP, 1000 Louisiana St., Suite 1302, Houston, TX 77002. (aat,) (Entered: 09/08/2004)

09/09/2004 133 Memorandum Opinion and Order denying 121 Motion for Final Approval of Class Action Settlement and Plan of Allocation filed by Private Asset Management, Gabriel T Forrest, Paul J Benec. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 9/9/04) (nap,) (Entered: 09/10/2004)

09/09/2004 135 TRANSCRIPT of Proceeding held on August 26, 2004 Fairness Hearing before Judge Lynn. Court Reporter: Sue Engledow. (jmr) (Entered: 09/14/2004)

09/13/2004 134 NOTICE of Appearance of Additional Counsel by Rod Phelan, Robb L Voyles on behalf of Halliburton Company. (nap,) (Entered: 09/13/2004)

09/15/2004 136 EXPEDITED MOTION to Stay the Court's 133 Memorandum Opinion and Order, with Brief in Support by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 09/16/2004)

09/15/2004 137 MOTION to Vacate the Court's 133 Memorandum Opinion and Order, with Brief in Support by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (nap,) (Entered: 09/16/2004)

09/15/2004 138 Appendix in Support of 137 MOTION to Vacate 133 Memorandum Opinion and Order, filed by Douglas L Foshee, Halliburton Company, David J Lesar, Gary V Morris, R Charles Muchmore Jr. (Not imaged) (nap,) (Entered: 09/16/2004)

09/21/2004 139 ORDER. Before the Court are Dfts' 136 Expedited Motion to Stay and 137 Motion to Vacate, both filed on 9/15/04. Responses due by 9/27/2004. No Reply will be permitted. To enable careful consideration of the Motions, the deadlines listed in paragraphs one, two, and three of the Court's Memorandum Opinion and Order, dated 9/9/04 are extended by fourteen days. (Signed by Judge Barbara M. G. Lynn on 9/21/04) (nap,) (Entered: 09/21/2004)

09/23/2004 140 ORDER. It appears to the Court that the appointment of a guardian ad litem is necessary to represent the preliminary certified class members in this cause.

Judge Lawrence J. Irving is appointed to represent the preliminary certified class at a mediation to be held in this case. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 9/23/04) (nap,) (Entered: 09/23/2004)

09/27/2004 141 ORDER. Given that a proposed settlement has not been approved as of this date, the requirement in paragraphs 57 and 58 of the Notice, that all class members who wish to receive any distribution from the Settlement Fund deliver a completed and signed Proof of Claim and Release by 9/27/04, is extended indefinitely, as provided for in paragraph 60 of the Notice. If appropriate, the Court will set a new deadline at a later date. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 9/27/04) (nap,) (Entered: 09/27/2004)

09/27/2004 142 RESPONSE in Opposition to 137 MOTION to Vacate 133 Memorandum Opinion and Order, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 09/29/2004)

09/27/2004 143 Memorandum of Law in Opposition filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 09/29/2004)

09/28/2004 144 ORDER. Pursuant to the Court's 9/23/04 order, Judge Lawrence J. Irving was appointed by the Court to serve as guardian ad litem. The Court feels it appropriate to further delineate Judge Irving's duties and responsibilities as guardian ad litem. Judge Irving is to "review the settlement from the point of view of members of the class and thereby to afford the class additional assurance that their interests will be adequately protected." See order for specifics. (Signed by Judge Barbara M. G. Lynn on 9/28/04) (nap,) (Entered: 09/30/2004)

09/28/2004 145 NOTICE of Intention to Participate in all Aspects of the Settlement Negotiations and Mediation Process and Demand for Production and Service of Documents by Patricia A Magruder. (lmr,) (Entered: 09/30/2004)

10/01/2004 146 MOTION to Modify 133 Memorandum Opinion and Order dated September 9, 2004 by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 10/05/2004)

10/01/2004 147 Memorandum in Support re 146 MOTION to Modify Memorandum Opinion and Order dated September 9, 2004 filed by The Archdiocese of

Milwaukee Supporting Fund, Inc. (nap,) (Entered: 10/05/2004)

10/04/2004 148 ORDER denying 136 EXPEDITED MOTION to Stay, granting in part and denying in part 137 MOTION to Vacate. Dfts' Motion to Vacate is denied as to all portions of this Court's 9/9/04 Order except for paragraph 1. As to paragraph 1, the Motion to Vacate is granted, in light of the terms of a Confidentiality Agreement signed by the Settling Parties. Mediation of this case is to take place as previously ordered by this Court. The Court accepts the parties' recommendation and appoints Mr. Gary V. McGowan as mediator. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 10/4/04) (nap,) (Entered: 10/05/2004)

10/07/2004 149 ORDER. The Court's 9/9/04 Memorandum Opinion and Order is modified to reflect the fact that Kilgore & Kilgore, P.L.L.C., is local counsel for Lead Plt Archdiocese of Milwaukee Supporting Fund, Inc. Kilgore & Kilgore is permitted to be present and participate in any and all activities in which Scott + Scott is allowed to participate. In addition, all parties shall note that the civil action number of this case is 3:02-cv-1152-M,

not 3:02-cv-1152-N. All future filings shall reflect the correct civil action number. (Signed by Judge Barbara M. G. Lynn on 10/7/04) (nap,) (Entered: 10/08/2004)

10/08/2004 150 MOTION with Brief in Support for Clarification of 148 10/4/04 Order by Halliburton Company, David J. Lesar, Gary V. Morris, Robert Charles Muchmore, Jr., and Douglas L. Foshee. (nap,) Modified on 10/12/2004 (nap,). (Entered: 10/12/2004)

10/12/2004 151 ORDER. The Claims Administrator, The Garden City Group, Inc., is directed to place the following message on the toll-free telephone number that was provided in the Notice to the Class Members: "The Court has ordered that the requirement that all class members who wish to receive a distribution from the Settlement Fund deliver a completed and signed Proof of Claim and Release by 9/27/04, be extended indefinitely, as provided for in paragraph 60 in the Notice. The Court Order also stated that if appropriate, the Court will set a new deadline at a later date. Due to this Order, we are not processing any claims forms at this time." Further, Lead Counsel may authorize payment of

		the $150,000 Notice and Administration Fund to The Garden City Group, Inc., in payment for a portion of the Notice and Administration costs it incurred in the administration of this matter. (Signed by Judge Barbara M. G. Lynn on 10/12/04) (nap,) (Entered: 10/13/2004)
10/14/2004	152	ORDER granting 150 Motion for Clarification of 10/4/04 Order. As stated in the Court's 9/9/04 Order, all activities in the case are stayed through 12/3/04, except the specific activities authorized by the Court. The Court has not authorized the filing of motions to dismiss; therefore, no motion to dismiss may be filed during the pendency of the stay. (Signed by Judge Barbara M. G. Lynn on 10/14/04) (nap,) (Entered: 10/18/2004)
10/15/2004		Mail Returned as Undeliverable. 148 Order on Motion to Stay and Motion to Vacate received back from Craig M. Walker as not deliverable as addressed. (nap,) (Entered: 10/19/2004)
10/18/2004		Mail Returned as Undeliverable. 149 Order received back from Craig M. Walker as not deliverable as addressed. (nap,) (Entered: 10/19/2004)

10/26/2004 153 AGREED MOTION to Extend Time for Halliburton Co., AMS Fund, Inc., and Patricia Magruder's Respective Counsel to Meet Pursuant to 9/9/04 Memorandum Opinion and Order by Halliburton Company, Patricia A Magruder, The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 10/28/2004)

10/28/2004 154 ORDER granting 153 AGREED MOTION to Extend Time for Halliburton Co., AMS Fund, Inc., and Patricia Magruder's Respective Counsel to Meet Pursuant to 9/9/04 Memorandum Opinion and Order. Counsel for parties have until and including 10/28/04, to meet pursuant to the Court's 9/9/04 and 9/21/04. (Signed by Judge Barbara M. G. Lynn on 10/28/04) (nap,) (Entered: 10/29/2004)

11/04/2004 155 ORDER. This case is stayed until 3/7/05 for all activities but those previously authorized by the Court's 9/9/04 Order as modified by the Court's 10/4/04 Order. The mediation deadline stated in paragraph 3 of the 9/9/04 order is now 1/28/05, and the mediation before the court appointed mediator, Gary McGowan, is ordered to take place on January 27-28, 2005. The deadline...to notify the Court as to whether a new

proposed settlement has been reached is now 2/28/05. The date when the Court will consider modifying appointment of Lead Plaintiffs and Lead Counsel... is now 3/7/05. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 11/4/04) (nap,) (Entered: 11/05/2004)

01/24/2005 156 Notice of Motion and MOTION for Leave to File Motion to Intervene by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund (nap,) (Entered: 01/27/2005)

01/31/2005 157 NOTICE of Change of Address by Stuart L Berman, Darren J Check, Richard S Schiffrin, Marc I Willner, counsel for Gabriel T Forrest, Paul J Benec. New address is: 280 King of Prussia Road; Radnor, PA 19087. (cxb,) (Entered: 02/02/2005)

02/07/2005 158 Alternative Dispute Resolution Summary filed by Gary McGowan. Attorneys in Attendance: Arthur L Shingler, III, Theodore Carl Anderson, III, Richard S Schiffrin, Hon. J. Lawerence Irving, Ronald Stevens, Timothy R McCormick, Robert Edwin Davis, Marcos G Ronquillo, Craig M Walker, Robb L

Voyles, Rod Phelan, William S Lerach. Prv Fee: $ 15,000. Disposition: Parties were unable to reach a settlement. (nap,) (Entered: 02/08/2005)

02/09/2005 159 Application and Order for Admission Pro Hac Vice by Andrew J Brown for Plumbers and Pipefitters National Pension Fund; City of Dearborn Heights Act 345 Police & Fire Retirement System and Laborers National Pension Fund (Signed by Judge Barbara M. G. Lynn on 2/9/05) (nap,) (Entered: 02/10/2005)

02/10/2005 160 UNOPPOSED MOTION Seeking Court Authority for Private Asset Management to Withdraw as Lead Plt and Schiffrin & Barroway, LLP to Withdraw as Lead Counsel by Private Asset Management (nap,) (Entered: 02/11/2005)

02/10/2005 161 Appendix in Support re 160 UNOPPOSED MOTION Seeking Court Authority for Private Asset Management to Withdraw as Lead Plt and Schiffrin & Barroway, LLP to Withdraw as Lead Counsel filed by Private Asset Management. (nap,) (Entered: 02/11/2005)

02/14/2005 162 RESPONSE and Brief in Opposition to 156 MOTION for Leave to File

Motion to Intervene filed by R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee. (nap,) Modified on 3/4/2005 (nap,). (Entered: 02/15/2005)

02/18/2005 163 ORDER Setting Hearing as to 160 UNOPPOSED MOTION Seeking Court Authority for Private Asset Management to Withdraw as Lead Plt and Schiffrin & Barroway, LLP to Withdraw as Lead Counsel. Motion Hearing set for 4/29/2005 09:00 AM before Judge Barbara M. G. Lynn. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 2/18/05) (nap,) (Entered: 02/18/2005)

02/25/2005 164 STATUS REPORT by Gabriel T Forrest. (nap,) (Entered: 02/28/2005)

02/25/2005 165 Application and Order for Admission Pro Hac Vice by William S Lerach for Plumbers and Pipefitters National Pension Fund; City of Dearborn Heights Act 345 Police & Fire Retirement System and Laborers National Pension Fund (Signed by Judge Barbara M. G. Lynn on 2/25/05) (nap,) (Entered: 03/01/2005)

02/28/2005 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment

by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 03/02/2005)

02/28/2005 167 DECLARATION of Arthur L. Shingler re 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit)(nap,) (Entered: 03/02/2005)

03/04/2005 168 UNOPPOSED MOTION to Withdraw as Lead Plaintiff by Paul J Benec, and MOTION to Withdraw as Executive Committee Member by counsel Wolf Haldenstein Alder Freeman & Herz LLP. (nap,) (Entered: 03/08/2005)

03/04/2005 169 DECLARATION of Gregory M. Nespole, Esq. in Support of 168 UNOPPOSED MOTION to Withdraw as Lead Plaintiff by Paul J Benec, and MOTION to Withdraw as Executive Committee Member by counsel Wolf Haldenstein Alder Freeman & Herz LLP. (nap,) (Entered: 03/08/2005)

03/04/2005 170 REQUEST/MOTION for Leave to File Reply in Support of Motion for Leave to File Motion to Intervene by Laborers National Pension Fund (nap,) (Entered: 03/08/2005)

03/08/2005	171	ORDER granting 156 Motion for Leave to File Motion to Intervene. (Signed by Judge Barbara M. G. Lynn on 3/8/05) (nap,) (Entered: 03/09/2005)
03/08/2005	172	Notice of Motion and for Leave to File Motion to Intervene by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund (nap,) (Entered: 03/09/2005)
03/08/2005	173	Memorandum in Support re 172 MOTION to Intervene filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund. (nap,) (Entered: 03/09/2005)
03/08/2005	174	Appendix in Support re 172 MOTION to Intervene filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund. (Attachments: # 1 Exhibit # 2 Exhibit # 3 Exhibit # 4 Exhibit) (nap,) (Entered: 03/09/2005)
03/09/2005	175	ORDER granting in part and denying in part 105 Motion for leave to file complaint, for order continuing class member opt-out deadline and for permission to litigate class action, granting 170

REQUEST/MOTION for Leave to File Reply in Support of Motion for Leave to File Motion to Intervene, granting 172 Motion to Intervene. All previously filed Motions to Dismiss 84 85 89 90 are dismissed as moot. The Court grants 168 Motion to Withdraw as Lead Plaintiff and to Withdraw Paul T. Benec's Counsel as an Executive Committee Member. Those parties wishing to do so should be prepared to present arguments on AMSF's Motion 166 at the hearing. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 3/9/05) (nap,) Modified on 3/10/2005 (nap,). (Entered: 03/10/2005)

03/09/2005 NOTICE of Docket Text Modification by Deputy Clerk regarding 175 Order on Motions. Docket text was accepted with errors, and has now been corrected. (nap,) (Entered: 03/10/2005)

03/09/2005 176 REPLY to Response to Motion re 172 MOTION to Intervene filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund. (nap,) (Entered: 03/10/2005)

03/09/2005 177 INTERVENOR COMPLAINT against R Charles Muchmore, Jr, Gary V Morris,

David J Lesar, Halliburton Company, Douglas L Foshee, filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund. (Attachments: # 1 Exhibit # 2 Exhibit # 3 Exhibit) (nap,) (Entered: 03/10/2005)

03/09/2005 NOTICE of Docket Text/Document Modification by Deputy Clerk regarding Order 175. The 166 Motion for Modification of Lead Plaintiff and Lead Counsel Appointment has not been ruled on by the Court. The motion is still pending, and the docket entry has been corrected. (nap,) (Entered: 03/10/2005)

03/09/2005 178 COMPLAINT against Robert R Harl, R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee, filed by Ben Alan Murphey. (Attachments: # 1 Exhibit) (nap,) Modified on 3/24/2005 (nap,). (Entered: 03/10/2005)

03/10/2005 179 JOINDER in 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters

National Pension Fund. (nap,) (Entered: 03/14/2005)

03/18/2005 180 NOTICE of Change of Law Firm Address by Adam J Levitt, on behalf of counsel for Ernest Hack, Polar Investment Club, The Benec Group. New address for Wolf Haldenstein Adler Freeman & Herz is: 55 West Monroe Street, Suite 1111, Chicago, Illinois, 60603. (nap,) (Entered: 03/21/2005)

03/18/2005 181 Memorandum of Law in Opposition re 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment filed by Gabriel T Forrest. (nap,) (Entered: 03/21/2005)

03/18/2005 182 DECLARATION of Patrick Slyne in Opposition re 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment by Gabriel T Forrest. (nap,) (Entered: 03/21/2005)

03/18/2005 183 DECLARATION of Lead Plt Gabriel T. Forrest in Opposition re 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment by Gabriel T Forrest. (nap,) (Entered: 03/21/2005)

03/22/2005 184 NOTICE of Substitution of Counsel by Paul W Denney on behalf of R Charles

Muchmore, Jr, Douglas L Foshee. (nap,) (Entered: 03/23/2005)

03/24/2005 185 ORDER denying 120 Motion for Attorney Fees and for Reimbursement of Expenses. (Signed by Judge Barbara M. G. Lynn on 3/23/05) (nap,) (Entered: 03/24/2005)

03/24/2005 186 Notice of Motion and MOTION for Leave to File Motion to Intervene by Patricia A Magruder (nap,) (Entered: 03/25/2005)

04/01/2005 187 Application and Order for Admission Pro Hac Vice by Craig M Walker for Patricia A Magruder (Signed by Judge Barbara M. G. Lynn on 4/1/05) (nap,) (Entered: 04/01/2005)

04/04/2005 188 RESPONSE to 181 Memorandum of Law in Opposition to MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment filed by Laborers National Pension Fund. (nap,) (Entered: 04/05/2005)

04/04/2005 189 REPLY Memorandum in Support of 166 MOTION for Modification of Lead Plaintiff and Lead Counsel Appointment filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 04/05/2005)

04/13/2005 190 RESPONSE in Opposition re 186 MOTION for Leave to File Motion to Intervene filed by R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee. (nap,) (Entered: 04/14/2005)

04/15/2005 191 RESPONSE in Opposition re 186 MOTION for Leave to File Motion to Intervene and File Complaint filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (kdc,) (Entered: 04/18/2005)

04/15/2005 192 RESPONSE in Opposition re 186 MOTION for Leave to File Motion to Intervene and File Complaint filed by City of Dearborn Heights Act 345 Police & Fire Retirement System. (kdc,) (Entered: 04/18/2005)

04/26/2005 193 REPLY to Response to Motion re 186 MOTION for Leave to File Motion to Intervene filed by Patricia A Magruder. (nap,) (Entered: 04/27/2005)

04/26/2005 194 REPLY to Intervenor's and AMS Fund's Response to Motion re 186 MOTION for Leave to File Motion to Intervene filed by Patricia A Magruder. (nap,) (Entered: 04/27/2005)

04/29/2005	196	Minute Entry for proceedings held before Judge Barbara M. G. Lynn: Motion Hearing held on 4/29/05. The parties presented argument on the Unopposed Motion to Withdraw (#160), AMS Fund's Motion for Modification of Lead Plt and Lead Counsel Appointments (#166), and Patricia Magruder's Motion for Leave to Intervene (#186). Order to enter. (Court Reporter Sue Engledow.) (nap,) (Entered: 05/05/2005)
05/03/2005	195	ORDER granting 160 UNOPPOSED MOTION Seeking Court Authority for Private Asset Management to Withdraw as Lead Plt and Schiffrin & Barroway, LLP to Withdraw as Lead Counsel, granting 166 Motion for Modification of Lead Plaintiff and Lead Counsel Appointment, denying 186 Notice of Motion and MOTION for Leave to File Motion to Intervene. Lead Plt may file a Third Amended Class Complaint by 5/9/2005. The Complaint shall be styled with the name of the Lead Plt and the caption of this case shall be modified accordingly by the Clerk. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 5/3/05) (nap,) (Entered: 05/04/2005)

05/03/2005		NOTICE of Docket Text/Document Modification by Deputy Clerk regarding Order 195 . The order was docketed with an incorrect attachment but has been redocketed and noticed with the correct order attached. (nap,) (Entered: 05/04/2005)
05/09/2005	197	TRANSCRIPT (SEALED) of Motion Hearing Proceedings held on 4/29/05 before Judge Barbara M. G. Lynn. Court Reporter: Sue Engledow. (Document Not Imaged/Under Separate Cover) (nap,) Modified on 7/2/2009 (jmr). (Entered: 05/10/2005)
05/09/2005	198	CLASS ACTION COMPLAINT for Violations of Federal Securities Laws filed by Patricia A Magruder against R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee. (Attachments: # 1) (nap,) (Entered: 05/10/2005)
05/09/2005	199	THIRD CONSOLIDATED AMENDED COMPLAINT for violation of the Securities Exchange Act of 1934 filed by The Archdiocese of Milwaukee Supporting Fund, Inc against R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee. (Attachments: # 1 # 2 # 3 # 4 # 5) (nap,) (Entered: 05/10/2005)

05/12/2005 200 Application and Order for Admission Pro Hac Vice by Thomas G Wilhelm for Plumbers and Pipefitters National Pension Fund; City of Dearborn Heights Act 345 Police & Fire Retirement System and Laborers National Pension Fund (Signed by Judge Barbara M. G. Lynn on 5/12/05) (nap,) (Entered: 05/13/2005)

05/17/2005 201 ORDER. As allowed by this Court's May 3, 2005 Order, Patricia Magruder filed a Class Action Complaint on May 9, 2005. The Court is considering whether to sever the Magruder Complaint or to conduct a separate trial on the issues raised in the Magruder Complaint. The Court invites all interested parties to file, by June 1, 2005, a three page statement suggesting that party's position as to those alternatives. (Signed by Judge Barbara M. G. Lynn on 5/17/05) (nap,) (Entered: 05/17/2005)

05/18/2005 202 JOINT STIPULATION AND PRETRIAL ORDER No. 2. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 5/18/05) (nap,) (Entered: 05/19/2005)

05/20/2005 203 ORDER. In the event that a motion to dismiss is filed in this case, oral argument for such a motion is hereby

set for Tuesday, August 2, 2005, at 9:00 a.m. before Judge Barbara M. G. Lynn. (Signed by Judge Barbara M. G. Lynn on 5/20/05) (nap,) (Entered: 05/20/2005)

06/01/2005 204 Statement in Support of Severance of the Magruder Complaint/RESPONSE to 201 Order, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 06/02/2005)

06/01/2005 205 RESPONSE to 201 Order, filed by Patricia Magruder (nap,) Modified on 6/2/2005 (nap,). (Entered: 06/02/2005)

06/01/2005 NOTICE of Docket Text/Document Modification by Deputy Clerk regarding Response to Order 205 . The filer of this document has been corrected. (nap,) (Entered: 06/02/2005)

06/01/2005 206 Statement of Position Regarding Severance of Claims of Patricia Magruder/RESPONSE to 201 Order, filed by R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee. (nap,) (Entered: 06/02/2005)

06/03/2005 207 ORDER. After considering the parties' filings and the applicable law, the Court ORDERS that the Complaint filed by Patricia A. Magruder on May 9, 2005,

be SEVERED from the rest of this action. The Clerk is directed to assign this matter a new case number and to assign this case to the docket of Judge Barbara M.G. Lynn. This new case shall be captioned Magruder et al v. Halliburton et al. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 6/3/05) (nap,) (Entered: 06/06/2005)

06/08/2005 208 MOTION to Dismiss *Plaintiffs' Third Consolidated Class Action Complaint* by Gary V Morris (Cagle, Jason) (Entered: 06/08/2005)

06/08/2005 209 Memorandum in Support re 208 MOTION to Dismiss *Plaintiffs' Third Consolidated Class Action Complaint* filed by Gary V Morris. (Cagle, Jason) (Entered: 06/08/2005)

06/08/2005 210 MOTION to Dismiss Third Consolidated Amended Complaint by Halliburton Company (nap,) (Entered: 06/09/2005)

06/08/2005 211 Memorandum in Support re 210 MOTION to Dismiss Third Consolidated Amended Complaint filed by Halliburton Company. (nap,) (Entered: 06/09/2005)

06/08/2005 212 Appendix in Support re 210 MOTION to Dismiss filed by Halliburton Company.

(Attachments: # 1 # 2 # 3 # 4) (nap,) (Entered: 06/09/2005)

06/08/2005 213 MOTION to Dismiss Third Consolidated Amended Complaint by R Charles Muchmore, Jr, Douglas L Foshee (nap,) (Entered: 06/09/2005)

06/08/2005 214 Memorandum in Support re 213 MOTION to Dismiss Third Consolidated Amended Complaint filed by R Charles Muchmore, Jr, Douglas L Foshee. (nap,) (Entered: 06/09/2005)

06/08/2005 215 MOTION to Dismiss Third Consolidated Amended Complaint by David J Lesar (nap,) (Entered: 06/09/2005)

06/08/2005 216 Memorandum in Support re 215 MOTION to Dismiss Third Consolidated Amended Complaint filed by David J Lesar. (nap,) (Entered: 06/09/2005)

06/28/2005 217 RESPONSE in Opposition re 210 MOTION to Dismiss Third Consolidated Amended Complaint filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 06/30/2005)

06/28/2005 218 CONSOLIDATED RESPONSE in Opposition to the Individual Dfts' 208 MOTION to Dismiss Third Consolidated

Amended Complaint, 215 MOTION to Dismiss Third Consolidated Amended Complaint, 213 MOTION to Dismiss Third Consolidated Amended Complaint filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 06/30/2005)

06/28/2005 219 Appendix in Support re 218 Response in Opposition, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 # 2) (nap,) (Entered: 06/30/2005)

06/28/2005 223 Letter to Judge Lynn filed by Garden City Group. (Attachments: # 1) (nap,) (Entered: 07/13/2005)

07/01/2005 220 ORDER. Telephone Conference set for 7/6/2005 02:00 PM before Judge Barbara M. G. Lynn. The parties shall be prepared to discuss Garden City Group, Inc.'s June 27, 2005 letter. (Signed by Judge Barbara M. G. Lynn on 7/1/05) (nap,) (Entered: 07/01/2005)

07/06/2005 231 Minute Entry for proceedings held before Judge Barbara M. G. Lynn : Telephone Conference. (Law Clerk conducts phone conference) The parties discussed the Garden City Group's 6/27/05 letter. (Court Reporter Sue Engledow.) (nap,) (Entered: 07/22/2005)

07/08/2005 221 ORDER: A telephone conference is set in this case for Wednesday, 7/13/2005 at 02:00 PM before Judge Barbara M. G. Lynn. Any party who wishes to do so may by July 12, 2005, file a brief on no longer than seven pages outlining that party's position on this matter. (Signed by Judge Barbara M. G. Lynn on 7/8/2005) (kdc,) (Entered: 07/08/2005)

07/12/2005 222 Memorandum in Support re 221 Order,, Set Hearings, *Of The Garden City Group's Request for Payment of Fees* filed by Garden City Group. (Attachments: # 1 Exhibit A-Memo of Understanding) (Federman, William) (Entered: 07/12/2005)

07/12/2005 224 RESPONSE/Statement Concerning 223 Letter to Judge Lynn filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 07/13/2005)

07/12/2005 225 RESPONSE/Brief re 223 Letter to Judge Lynn filed by Halliburton Company. (nap,) (Entered: 07/13/2005)

07/12/2005 226 TRANSCRIPT of Telephone Conference Proceedings held on July 6, 2005 before Judge Barbara M. G. Lynn. Court Reporter: Sue Engledow. (Document Not Imaged/Under Separate Cover) (nap,) (Entered: 07/14/2005)

07/13/2005 227 REPLY to Response to Motion re 213 MOTION to Dismiss Third Consolidated Amended Complaint filed by R Charles Muchmore, Jr, Douglas L Foshee. (nap,) (Entered: 07/15/2005)

07/13/2005 228 REPLY to Response to Motion re 215 MOTION to Dismiss Third Consolidated Amended Complaint filed by David J Lesar. (nap,) (Entered: 07/15/2005)

07/13/2005 229 REPLY to Response to Motion re 210 MOTION to Dismiss Third Consolidated Amended Complaint filed by Halliburton Company. (nap,) (Entered: 07/15/2005)

07/13/2005 230 REPLY to Response to Motion re 208 MOTION to Dismiss *Plaintiffs' Third Consolidated Class Action Complaint* filed by Gary V Morris. (nap,) (Entered: 07/15/2005)

07/13/2005 232 Minute Entry for proceedings held before Judge Barbara M. G. Lynn: Telephone Conference. The parties informed the Court that an agreement had been reached with the Garden City Group. (Court Reporter Sue Engledow.) (nap,) (Entered: 07/22/2005)

08/02/2005 233 Minute Entry for proceedings held before Judge Barbara M. G. Lynn: Motion

Hearing held on 8/2/05 re 208 Motion to Dismiss filed by Gary V Morris, 215 Motion to Dismiss filed by David J Lesar, 213 Motion to Dismiss filed by R Charles Muchmore, Jr, Douglas L Foshee, 210 Motion to Dismiss filed by Halliburton Company. Order to follow. (Court Reporter Sue Engledow.) (nap,) (Entered: 08/05/2005)

08/04/2005 234 TRANSCRIPT of Motion Hearing Proceedings held on August 2, 2005 before Judge Barbara M. G. Lynn. Court Reporter: Sue Engledow. (Document Not Imaged/Under Separate Cover) (nap,) (Entered: 08/05/2005)

08/08/2005 235 Lead Plt's Submissions Following the 8/2/05 Hearing re Motions to Dismiss, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (nap,) (Entered: 08/09/2005)

08/08/2005 236 Supplemental Memorandum in Support re 210 MOTION to Dismiss Third Amended Consolidated Complaint filed by Halliburton Company. (Attachments: # 1 # 2) (nap,) (Entered: 08/09/2005)

09/19/2005 237 NOTICE of Change of Firm Address by William S Lerach, counsel for Manisha Patel, Leslie Turbowitz, Alan Gampel,

Francisco Vasquez, Betty P Thibodeau, Alida S Coelho, John A Coelho, Richard Moore, Kevin A Stanley, Salomea J Goldberg-Blum, Lori A Russo, Ernest Hack, Robert W Davis, Charles G Nemeth, Diana L Parkes, The Archdiocese of Milwaukee Supporting Fund, Inc., David Jaroslawicz, Polar Investment Club, Gabriel T Forrest, John Kimble, Private Asset Management, Gary McAdams, Meyer Meyer Abramowitz, On Behalf of Himself and All Others Similarly Situated, David Garden. New address of the San Diego office of this firm is : Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA, 92101. Telephone: 619-231-1058. (nap,) (Entered: 09/21/2005)

11/15/2005 238 NOTICE of Change of Firm Address by Neil Rothstein, David R Scott, Arthur L Shingler, III, counsel for Manisha Patel, Leslie Turbowitz, Alan Gampel, Francisco Vasquez, Betty P Thibodeau, Alida S Coelho, John A Coelho, Richard Moore, Kevin A Stanley, Salomea J Goldberg-Blum, Lori A Russo, Ernest Hack, Robert W Davis, Charles G Nemeth, Diana L Parkes, The Archdiocese of Milwaukee Supporting Fund, Inc., David Jaroslawicz, Polar

		Investment Club, Gabriel T Forrest, Paul J Benec, John Kimble, Private Asset Management, Gary McAdams, Meyer Meyer Abramowitz, On Behalf of Himself and All Others Similarly Situated, David Garden. New address of the San Diego office of this firm is: Scott + Scott, LLC, 600 B Street, Suite 1500, San Diego, CA 82101. Tel: 619-233-4565; Fax: 619-233-0508. (nap,) (Entered: 11/17/2005)
03/14/2006	239	ORDER granting in part and denying in part 208 Motion to Dismiss, 210 Motion to Dismiss, 213 Motion to Dismiss, 215 Motion to Dismiss. Plts shall amend the Third Amended Complaint, as ordered herein, by 4/4/06.... Any Motion to Dismiss the Fourth Amended Complaint must be filed by 5/9/06. Responses are due by 6/13/06. Any Reply is due by 7/3/06. The Court schedules oral argument on 7/28/06 at 9:00 a.m. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 3/14/06) (nap,) Modified on 3/21/2006 (nap,). (Entered: 03/14/2006)
03/14/2006		NOTICE of Docket Text/Document Modification by Deputy Clerk regarding Order on Motion to Dismiss, 239 . Docket text has been correct to reflect the

following deadline in the Order: Any Reply is due by 7/3/06. (nap,) (Entered: 03/21/2006)

03/24/2006 240 Mail Returned as Undeliverable. 239 Order on Motions to Dismiss, received back from Robert Schachter as not deliverable as addressed; unable to forward. Attorney terminated from noticing due to invalid mailing address and no email address in system. (nap,) (Entered: 03/27/2006)

03/24/2006 241 Mail Returned as Undeliverable. 239 Order on Motion to Dismiss, received back from Paul J Geller as undeliverable as addressed. Notified attorney admissions to add "One Boca Place" to mailing label. Attorney terminated from noticing due to no email address in system. (nap,) (Entered: 03/27/2006)

03/28/2006 242 Mail Returned as Undeliverable. 239 Order on Motion to Dismiss, received back from Brian Murray as Not the 34th Fl. (kdc,) (Entered: 03/28/2006)

04/04/2006 246 FOURTH CONSOLIDATED AMENDED COMPLAINT for Violation of the Securities Exchange Act of 1934 against Arthur Andersen LLP, Halliburton Company, Robert R Harl filed by Manisha Patel, Leslie Turbowitz,

Alan Gampel, Francisco Vasquez, Betty P Thibodeau, Alida S Coelho, John A Coelho, Richard Moore, Kevin A Stanley, Salomea J Goldberg-Blum, Lori A Russo, Ernest Hack, Robert W Davis, Charles G Nemeth, Diana L Parkes, The Archdiocese of Milwaukee Supporting Fund, Inc., David Jaroslawicz, Polar Investment Club, Gabriel T Forrest, Paul J Benec, John Kimble, City of Dearborn Heights Act 345 Police & Fire Retirement System, Private Asset Management, Gary McAdams, Meyer Meyer Abramowitz, On Behalf of Himself and All Others Similarly Situated, David Garden. (Attachments: # 1 # 2 # 3 # 4 # 5 Redlined Original # 6 redlined original # 7 Redlined original # 8 redlined original # 9 redlined original) (jyg,) Additional attachment(s) added on 4/7/2006 (jyg,). (Entered: 04/05/2006)

04/05/2006 243 Notice of MOTION for Entry of an Order Preserving the Right of Open Proceedings and Precluding the Filing of Documents Under Seal or Production of Documents Subject to Confidentiality Restrictions filed by The Archdiocese of Milwaukee Supporting Fund, Inc., John Kimble, Ben Alan Murphey, City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters

National Pension Fund. (jrb,) (Entered: 04/05/2006)

04/05/2006 244 Memroandum of Law in Support of 243 MOTION filed by The Archdiocese of Milwaukee Supporting Fund, Inc., John Kimble, Ben Alan Murphey, City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund. (jrb,) (Entered: 04/05/2006)

04/05/2006 245 Appendix in Support of 243 MOTION filed by The Archdiocese of Milwaukee Supporting Fund, Inc., John Kimble, Ben Alan Murphey, City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund. (jrb,) (Entered: 04/05/2006)

04/07/2006 NOTICE of Docket Text/Document Modification by Deputy Clerk regarding Fourth Consolidated Amended Complaint 246 . Inserted missing pages. (jyg,) (Entered: 04/07/2006)

04/07/2006 247 MOTION Seeking Certification of the Court's March 14, 2006 Order for Interlocutory Appeal re 239 Order

on Motion to Dismiss by R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Halliburton Company, Douglas L Foshee with Brief in Support. (jyg,) (Entered: 04/10/2006)

04/18/2006 248 Rule 26(f) Case Management Statement and Discovery Plan by Plaintiffs. (jyg,) Modified on 4/19/2006 (jyg,). (Entered: 04/18/2006)

04/25/2006 249 Brief in Opposition re 243 Plaintiffs' MOTION for Entry of an Order Preserving the Right of Open Proceedings filed by Halliburton Company. (klm,) (Entered: 04/26/2006)

04/25/2006 250 Appendix in Support re 249 Brief in Opposition to Plaintiffs' Motion for Entry of an Order Preserving the Right of Open Proceedings filed by Halliburton Company. (klm,) (Entered: 04/26/2006)

04/27/2006 251 RESPONSE in Opposition filed by Richard Moore, The Archdiocese of Milwaukee Supporting Fund, Inc., Gabriel T Forrest, Paul J Benec, Private Asset Management re 247 MOTION Seeking Certification of the Court's March 14, 2006 Order for Interlocutory Appeal re 239 Order on Motion to Dismiss. (kdc,) (Entered: 04/27/2006)

05/08/2006 252 REPLY in Support filed by Manisha Patel, Leslie Turbowitz, Alan Gampel, Francisco Vasquez, Betty P Thibodeau, Alida S Coelho, John A Coelho, Richard Moore, Kevin A Stanley, Salomea J Goldberg-Blum, Lori A Russo, Ernest Hack, Robert W Davis, Charles G Nemeth, Diana L Parkes, The Archdiocese of Milwaukee Supporting Fund, Inc., David Jaroslawicz, Polar Investment Club, Gabriel T Forrest, Paul J Benec, John Kimble, Private Asset Management, Gary McAdams, Meyer Meyer Abramowitz, On Behalf of Himself and All Others Similarly Situated, David Garden re 243 Notice of MOTION for Entry of an Order Preserving the Right of Open Proceedings and Precluding the Filing of Documents Under Seal or Production of Documents Subject to Confidentiality Restrictions (jyg,) (Entered: 05/09/2006)

05/09/2006 253 MOTION to Dismiss *Plaintiffs' Fourth Consolidated Amended Class Action Complaint* by R Charles Muchmore, Jr, Douglas L Foshee (Loegering, Wes) (Entered: 05/09/2006)

05/09/2006 254 Brief/Memorandum in Support filed by R Charles Muchmore, Jr, Douglas L Foshee re 253 MOTION to Dismiss *Plaintiffs' Fourth Consolidated Amended Class*

Action Complaint (Attachments: # 1 Exhibit A) (Loegering, Wes) (Entered: 05/09/2006)

05/09/2006 255 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint by David J Lesar (jyg,) (Entered: 05/10/2006)

05/09/2006 256 Brief in Support filed by David J Lesar re 255 Individual MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint (jyg,) (Entered: 05/10/2006)

05/09/2006 257 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint by Gary V Morris (jyg,) (Entered: 05/10/2006)

05/09/2006 258 Brief in Support filed by Gary V Morris re 257 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint (jyg,) (Entered: 05/10/2006)

05/09/2006 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint by Halliburton Company (jyg,) (Entered: 05/10/2006)

05/09/2006 260 Brief in Support filed by Halliburton Company re 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Class

Action Complaint (jyg,) (Entered: 05/10/2006)

05/09/2006 261 Appendix in Support filed by Halliburton Company re 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Class Action Complaint (Attachments: # 1) (jyg,) (Entered: 05/10/2006)

05/12/2006 262 REPLY in Support filed by Halliburton Company re 247 MOTION Seeking Certification of the Court's March 14, 2006 Order for Interlocutory Appeal re 239 Order on Motion to Dismiss (jyg,) (Entered: 05/15/2006)

06/12/2006 263 Agreed MOTION for Leave to File a Consolidated Opposition to Defendants' Motions to Dismiss by R Charles Muchmore, Jr, Gary V Morris, David J Lesar, Richard Moore, The Archdiocese of Milwaukee Supporting Fund, Inc., Halliburton Company, Gabriel T Forrest, Paul J Benec, Private Asset Management, Douglas L Foshee (jyg,) (Entered: 06/13/2006)

06/13/2006 264 ORDER denying 247 Motion Seeking Certification of the Court's March 14, 2006 Order for Interlocutory Appeal re 239 Order on Motion to Dismiss. See order for specifics. (Signed by Judge

Barbara M. G. Lynn on June 13, 2006) (jyg,) (Entered: 06/14/2006)

06/13/2006 265 CONSOLIDATED OPPOSITION filed by Manisha Patel, Leslie Turbowitz, Alan Gampel, Francisco Vasquez, Betty P Thibodeau, Alida S Coelho, John A Coelho, Richard Moore, Kevin A Stanley, Salomea J Goldberg-Blum, Lori A Russo, Ernest Hack, Robert W Davis, Charles G Nemeth, Diana L Parkes, The Archdiocese of Milwaukee Supporting Fund, Inc., David Jaroslawicz, Polar Investment Club, Gabriel T Forrest, Paul J Benec, John Kimble, Private Asset Management, Gary McAdams, Meyer Meyer Abramowitz, On Behalf of Himself and All Others Similarly Situated, David Garden re 255 MOTION to Dismiss, 259 MOTION to Dismiss, 253 MOTION to Dismiss *Plaintiffs' Fourth Consolidated Amended Class Action Complaint*, 257 MOTION to Dismiss (Attachments: # 1 # 2 # 3 # 4 # 5 # 6) (jyg,) (Entered: 06/14/2006)

06/15/2006 266 ORDER granting 263 Motion for Leave to File a Consolidated Opposition to Defendants' Motions to Dismiss. (Signed by Judge Barbara M. G. Lynn on June 15, 2006) (jyg,) (Entered: 06/15/2006)

06/21/2006 267 Letter/RESPONSE filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 266 Order on Motion for Leave to File (jyg,) (Entered: 06/22/2006)

06/27/2006 268 Mail Returned as Undeliverable. 264 Order on Motion for Miscellaneous Relief, received back from Paul J Geller as undeliverable. (mfw,) (Entered: 06/27/2006)

06/27/2006 269 NOTICE of Change of Address by John G Emerson, Jr, counsel for Richard Moore. New address is: *Scott E. Poynter, EMERSON POYNTER LLP, 500 President Clinton Ave., Ste 305, Little Rock, AR 72201* (Emerson, John) (Entered: 06/27/2006)

07/03/2006 270 REPLY in Support filed by Gary V Morris re 257 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint (jyg,) (Entered: 07/03/2006)

07/03/2006 271 Brief/Memorandum in Support filed by R Charles Muchmore, Jr, Douglas L Foshee re 253 MOTION to Dismiss *Plaintiffs' Fourth Consolidated Amended Class Action Complaint Reply Brief in Support of Motion to Dismiss Plaintiffs' Fourth Consolidated*

Amended Complaint (Loegering, Wes) (Entered: 07/03/2006)

07/03/2006 272 Application and Order for Admission Pro Hac Vice by Mark V Jackowski for The Archdiocese of Milwaukee Supporting Fund, Inc. (Signed by Judge Barbara M. G. Lynn on 7/3/06) (nap,) (Entered: 07/05/2006)

07/03/2006 273 REPLY filed by David J Lesar re 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint (nap,) (Entered: 07/05/2006)

07/03/2006 274 REPLY filed by Halliburton Company re 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint (nap,) (Entered: 07/05/2006)

07/03/2006 275 Appendix in Support filed by Halliburton Company re 274 Reply to Response to Motion (nap,) (Entered: 07/05/2006)

07/12/2006 276 ORDER denying 243 Motion for Entry of an Order Preserving the Right of Open Proceedings and Precluding the Filing of Documents Under Seal or Production of Documents Subject to Confidentiality Restrictions. (Signed by Judge Barbara M. G. Lynn on 7/12/06) (nap,) (Entered: 07/12/2006)

07/12/2006	277	Mail Returned as Undeliverable. 272 Order for Admission Pro Hac Vice received back from Robert B. Weiser as not deliverable as addressed; unable to forward. Per conversation with attorney from Schiffrin & Barroway, Mr. Weiser is no longer with the firm. Noticing terminated. (nap,) (Entered: 07/12/2006)
07/17/2006	278	Application and Order for Admission Pro Hac Vice by Edmund W Searby for The Archdiocese of Milwaukee Supporting Fund, Inc. (Signed by Judge Barbara M. G. Lynn on 7/17/06) (nap,) (Entered: 07/18/2006)
07/21/2006		Mail Returned as Undeliverable. 276 ORDER denying Motion for Entry of an Order Preserving the Right of Open Proceedings, received back from Paul J Geller as undeliverable as addressed. Remailed at attorney's current mailing address as shown on docket sheet. (nap,) (Entered: 07/24/2006)
07/28/2006	279	Minute Entry for proceedings held before Judge Barbara M. G. Lynn : Motion Hearing held on 7/28/06 re 259 MOTION to Dismiss Plaintiff's Fourth Consolidated Amended Complaint filed by Halliburton Company. Order to enter.

(Court Reporter Sue Engledow.) (svc,) (Entered: 08/02/2006)

07/31/2006 Mail Returned as Undeliverable. 278 Order for Admission Pro Hac Vice received back from Paul J Geller as undeliverable as addressed. Remailed to attorney's updated address. (nap,) (Entered: 07/31/2006)

08/07/2006 280 ORDER. Lead counsel in all cases pending before Judge Barbara M. G. Lynn are strongly encouraged to register for electronic transmission of notice. The District Clerk's Office has discontinued fax noticing of docket activity, and notices are being sent through U.S. mail to those attorneys who have not registered for electronic noticing. For more information about how to register for electronic noticing, counsel should visit the Northern District of Texas website at http://www.txnd.uscourts.gov/records/ens.html. (Signed by Judge Barbara M. G. Lynn on 8/7/06) (jrb,) Modified on 8/7/2006 (jrb,). (Entered: 08/07/2006)

08/11/2006 281 TRANSCRIPT of Proceedings (Motions to Dismiss) held on July 28, 2006 before Judge Barbara M.G. Lynn. The Official Record of the transcript is on file with

the Clerk's Office. Contact the Clerk's Office at 214/753-2200 or the Court Reporter - Sue Engledow at 214/753-2325 to obtain a copy of the Official Record. (jrb,) Additional attachment(s) added on 8/14/2006 (rrj,). Modified on 8/14/2006 (rrj,). (Entered: 08/14/2006)

09/01/2006 282 Order Designating Case for ECF - see order for specifics. (Signed by Judge Barbara M. G. Lynn on 09/01/06) (axm,) (Entered: 09/01/2006)

11/20/2006 283 NOTICE of Attorney Appearance by E Lawrence Vincent on behalf of Richard Moore, The Archdiocese of Milwaukee Supporting Fund, Inc., Gabriel T Forrest, Paul J Benec, Private Asset Management (jrb,) (Entered: 11/20/2006)

11/22/2006 284 MOTION for Substitution of Lead Counsel. Added attorney David Boies for The Archdiocese of Milwaukee Supporting Fund, Inc.. Motion Filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (jrb,) (Entered: 11/27/2006)

12/12/2006 285 RESPONSE filed by Halliburton Company re 284 MOTION to Substitute Attorney. Added attorney David Boies

for The Archdiocese of Milwaukee Supporting Fund, Inc.. Motion Filed (Pulliam, Jessica) (Entered: 12/12/2006)

12/12/2006 286 RESPONSE in Opposition filed by Plumbers and Pipefitters National Pension Fund *Co-Lead Class Counsel's and the Institutional Investor Class Representatives' Opposition to AMSF's Motion Seeking Court Permission to Replace Co-Lead Class Counsel* (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 287 AFFIDAVIT re 286 Response in Opposition, *Declaration of William S. Lerach in Support of Co-Lead Class Counsel's and the Institututional Investor Class Representatives' Opposition to AMSF's Motion Seeking Court Permission to Replace Co-Lead Counsel* by Plumbers and Pipefitters National Pension Fund. (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 288 AFFIDAVIT re 286 Response in Opposition, *Declaration of Joe Kendall in Opposition to Archdiocese of Milwaukee Supporting Fund, Inc.'s Motion for Substitution of Lead Counsel* by Plumbers and Pipefitters National Pension Fund. (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 289 AFFIDAVIT re 286 Response in Opposition, *Declaration of David R. Scott in Support of Co-Lead Class Counsel's and the Institututional Investor Class Representatives' Opposition to AMSF's Motion Seeking Court Permission to Replace Co-Lead Counsel* by Plumbers and Pipefitters National Pension Fund. (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 290 AFFIDAVIT re 286 Response in Opposition, *to the Archdiocese of Milwaukee Supporting Fund, Inc.'s Motion to Substitute Lead Counsel* by City of Dearborn Heights Act 345 Police & Fire Retirement System. (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 291 AFFIDAVIT re 286 Response in Opposition, *Declaration of Andrew J. Brown in Support of Co-Lead Counsel's and the Institutional Investor Class Representatives' Opposition to AMSF's Motion Seeking Court Permission to Replace Co-Lead Class Counsel* by Plumbers and Pipefitters National Pension Fund. (Attachments: # 1 # 2 # 3 # 4 # 5 # 6 # 7) (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 292 AFFIDAVIT re 286 Response in Opposition, *to the Archdiocese of*

Appendix A

Milwaukee Supporting Fund, Inc.'s Motion to Substitute Lead Counsel by Laborers National Pension Fund. (Brown, Andrew) (Entered: 12/12/2006)

12/12/2006 293 AFFIDAVIT re 286 Response in Opposition, *to the Archdiocese of Milwaukee Supporting Fund, Inc.'s Motion to Substitute Lead Counsel* by Plumbers and Pipefitters National Pension Fund. (Attachments: # 1) (Brown, Andrew) Modified on 4/16/2007 (jb). (Entered: 12/12/2006)

12/27/2006 294 REPLY Brief filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 284 MOTION to Substitute Attorney. (not imaged-see records dept) (jrb,) Modified on 12/28/2006 (jrb,). (Entered: 12/28/2006)

01/08/2007 295 CERTIFICATE of Conference by Andrew J Brown on behalf of City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund (Brown, Andrew) (Entered: 01/08/2007)

01/08/2007 296 NOTICE by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension

Fund, Plumbers and Pipefitters National Pension Fund *and Co-Lead Class Counsel's Motion to Strike or, in the Alternative, for Leave to File a Response in Opposition* (Brown, Andrew) (Entered: 01/08/2007)

01/08/2007 297 MOTION to Strike 294 REPLY Brief filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 284 MOTION to Substitute Attorney. by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund (Attachments: # 1 Exhibit A to Motion to Strike# 2 Declaration of Andrew J. Brown# 3 Exhibit A to Brown Declaration# 4 Exhibit B to Brown Declaration# 5 Exhibit C to Brown Declaration# 6 Exhibit D to Brown Declaration# 7 Exhibit E to Brown Declaration# 8 Exhibit F to Brown Declaration# 9 Exhibit G to Brown Declaration# 10 Exhibit H to Brown Declaration# 11 Exhibit I to Brown Declaration# 12 Exhibit J to Brown Declaration# 13 Exhibit K to Brown Declaration# 14 Exhibit L to Brown Declaration# 15 Exhibit M to Brown Declaration# 16 Exhibit N to Brown Declaration# 17 Exhibit O to Brown Declaration# 18 Exhibit P to Brown

Declaration# 19 Exhibit Q to Brown Declaration# 20 Exhibit R to Brown Declaration# 21 Second Declaration of William S. Lerach# 22 Exhibit A to Lerach Declaration# 23 Declaration of Patrick J. Coughlin# 24 Declaration of Helen J. Hodges# 25 Second Declaration of David R. Scott# 26 Exhibit A to Scott Declaration# 27 Second Declaration of Laborers National Pension Fund# 28 Second Declaration of City of Dearborn Heights# 29 Declaration of Louis P. Malone III in Support of Plumbers and Pipefitters National Pension Fund# 30 Exhibit B to Motion to Strike# 31 Exhibit C to Motion to Strike# 32 Exhibit D to Motion to Strike# 33 Exhibit E to Motion to Strike# 34 Exhibit F to Motion to Strike# 35 Text of Proposed Order Granting Motion to Strike# 36 Text of Proposed Order [Proposed Alternative] Order Granting Leave to File Opposition Brief) (Brown, Andrew) Modified on 1/9/2007 (jrb) (Entered: 01/08/2007)

01/08/2007 298 RESPONSE in Opposition filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund *Response to Letter of January 3, 2007* (Brown, Andrew) (Entered: 01/08/2007)

01/09/2007 299 Notice of Errata by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund. (Kendall, Joe) Modified on 1/10/2007 (lmp). (Entered: 01/09/2007)

01/09/2007 300 NOTICE of Change of Firm Name by Kirkpatrick & Lockhart Preston Gates Ellis LLP, Kirkpatrick & Lockhart Preston Gates Ellis LLP. (Medlin, Frederick) Modified on 1/10/2007 (lmp). (Entered: 01/09/2007)

01/16/2007 301 Brief/Memorandum in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 297 MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) MOTION to Strike 296 Notice (Other), Notice (Other) *Memorandum of Law in Support of Lead Plaintiff's Opposition to Co-Lead Counsel's Motion to Strike and For Leave to File Sur-Reply* (Attachments:

Appendix A

1 Appendix Part 1# 2 Appendix Part 2) (Vincent, Emery) (Entered: 01/16/2007)

01/29/2007 302 MOTION for Order to Show Cause by The Archdiocese of Milwaukee Supporting Fund, Inc. (Vincent, E) (Entered: 01/29/2007)

01/29/2007 303 Brief/Memorandum in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. *for Order to Show Cause* (Vincent, E) (Entered: 01/29/2007)

01/29/2007 304 Appendix in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. *for Motion to Show Cause* (Vincent, E) (Entered: 01/29/2007)

02/09/2007 305 RESPONSE in Opposition filed by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund re 302 MOTION for Order to Show Cause (Attachments: # 1 Exhibit A - Article) (Kendall, Joe) (Entered: 02/09/2007)

02/19/2007 306 NOTICE by David J Lesar *of Change of Firm Name* (Gonzalez, Jose) (Entered: 02/19/2007)

Appendix A

02/23/2007 307 ORDER denying 297 Motion to Strike. (Signed by Judge Barbara M. G. Lynn on 2/23/07) (jrb) (Entered: 02/26/2007)

02/23/2007 308 ORDER granting 284 Motion to Substitute Attorney. The Motion to Replace Lead Plaintiff is denied. (Signed by Judge Barbara M. G. Lynn on 2/23/07) (jrb) (Entered: 02/26/2007)

03/08/2007 309 NOTICE by Gary V Morris re 257 MOTION to Dismiss *of Letter to the Court* (Attachments: # 1 Exhibit Morris's Letter to the Court# 2 Exhibit Court's Opinion in SEC v. Morris) (Cagle, Jason) (Entered: 03/08/2007)

03/12/2007 310 MOTION to Withdraw as Attorney *by Michael K. Hurst and Brian N. Hail on behalf of and* by David J Lesar (Hurst, Michael) (Entered: 03/12/2007)

03/14/2007 311 ORDER granting 310 Motion to Withdraw as Attorney. Attorney Brian N Hail and Michael K Hurst terminated (Signed by Judge Barbara M. G. Lynn on 3/14/07) (jrb) (Entered: 03/15/2007)

03/15/2007 312 Letter requesting removal of Judge Lawrence Irving's name from all service lists. (jrb) (Entered: 03/19/2007)

03/28/2007	313	ORDER granting 253 Motion to Dismiss; denying 255 Motion to Dismiss; granting 257 Motion to Dismiss; denying 259 Motion to Dismiss. The case shall proceed as to defendants Lesar and Halliburton. They shall confer with the Lead Plaintiff and submit by May 1, 2007 a proposed Scheduling Order. (Signed by Judge Barbara M. G. Lynn on 3/28/07) (jrb) (Entered: 03/30/2007)
03/28/2007	314	Judgment. The Court having granted their Motions to Dismiss, Defendants Muchmore, Morris and Foshee are dismissed from this case with prejudice. All of the taxable court costs incurred by them are taxed to the plaintiffs. (Signed by Judge Barbara M. G. Lynn on 3/28/07) (jrb) (Entered: 03/30/2007)
04/04/2007	315	NOTICE of Attorney Appearance by Caryl L Boies on behalf of The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, Caryl) (Entered: 04/04/2007)
04/04/2007	316	CERTIFICATE OF SERVICE by The Archdiocese of Milwaukee Supporting Fund, Inc. re 315 Notice of Attorney Appearance (Boies, Caryl) (Entered: 04/04/2007)

04/05/2007 317 NOTICE by The Archdiocese of Milwaukee Supporting Fund, Inc. re 304 Appendix in Support, 303 Brief/ Memorandum in Support of Motion, 302 MOTION for Order to Show Cause *Notice of Withdraw (sic) of the Order to Show Cause* (Boies, Caryl) Modified on 4/6/2007 (npk) (Entered: 04/05/2007)

04/12/2007 318 Unopposed Motion for Extension of Time to File Answer by David J Lesar, Halliburton Company (Attachments: # 1 Exhibit A) (Gonzalez, Jose) (Entered: 04/12/2007)

04/16/2007 319 ORDER granting 318 Motion for Extension of Time to File Answer. David J Lesar answer due 5/13/2007; Halliburton Company answer due 5/13/2007. (Signed by Judge Barbara M. G. Lynn on 4/16/07) (jrb) (Entered: 04/16/2007)

04/20/2007 320 ORDER. The Court ORDERS Mr. David Boies to file a Notice of Appearance as Lead Counsel in this action by April 30, 2007. If Mr. Boies does not intend to appear as lead counsel, this Court will reconsider its ruling on AMSF's Motion for Substitution of Lead Counsel. (Signed by Judge Barbara M. G. Lynn on 4/20/07) (jrb) (Entered: 04/20/2007)

Appendix A

04/25/2007 321 NOTICE of Attorney Appearance by David Boies on behalf of The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, Caryl) Modified on 4/25/2007 (jb). (Entered: 04/25/2007)

04/27/2007 322 NOTICE of Attorney Appearance for Sashi Bach Boruchow on behalf of The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, Caryl) Modified on 4/30/2007 (npk). (Entered: 04/27/2007)

04/30/2007 323 Application and Order for Admission Pro Hac Vice by David Boies on behalf of Archdiocese of Milwaukee Supporting Fund, Inc and Court Appointed Lead Counsel for Class. (Signed by Judge Barbara M. G. Lynn on 4/30/07) (jrb) (Entered: 05/01/2007)

05/01/2007 324 STATUS REPORT *Joint Status Report on Proposed Scheduling Order* by David J Lesar, The Archdiocese of Milwaukee Supporting Fund, Inc., Halliburton Company. (Boies, Caryl) (Entered: 05/01/2007)

05/01/2007 325 Application and Order for Admission Pro Hac Vice by Sashi Bach Boruchow for The Archdiocese of Milwaukee Supporting Fund, Inc. (Signed by Judge Barbara M. G. Lynn on 5/1/07) (jrb) (Entered: 05/02/2007)

05/04/2007 326 MOTION to Compel *Complete Case Files and Request for Certificate of Completion* by The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, Caryl) (Entered: 05/04/2007)

05/04/2007 327 Brief/Memorandum in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 326 MOTION to Compel *Complete Case Files and Request for Certificate of Completion* (Boies, Caryl) (Entered: 05/04/2007)

05/04/2007 328 Appendix in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 327 Brief/Memorandum in Support of Motion *to Compel Complete Case Files and Request for Certificate of Completion* (Boies, Caryl) (Entered: 05/04/2007)

05/10/2007 330 Minute Entry for proceedings held before Judge Barbara M. G. Lynn : Telephone Conference. The Court ordered former lead counsel to certify in public filings that they have turned over all case files for which they are not asserting privilege within 2 weeks. The record of the telephone conference will be sealed. (Court Reporter Sue Engledow.) Time in Court: 5 minutes. (jrb) Modified on 5/22/2007 (jb). (Entered: 05/15/2007)

Appendix A

05/14/2007 329 *Original* ANSWER to Amended Complaint *(Fourth Consolidated)* by David J Lesar, Halliburton Company (Attachments: # 1 Supplement Pages 41 - 80 # 2 Supplement Pages 81 - 102) (Pulliam, Jessica) (Entered: 05/14/2007)

05/24/2007 331 Certification of Service on behalf of City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund (Brown, Andrew) Modified on 6/8/2007 (Gardner, Jo). (Entered: 05/24/2007)

05/24/2007 332 NOTICE by Scott+Scott LLP *Certification* (Shingler, Arthur) (Entered: 05/24/2007)

06/14/2007 333 Order: The Court Orders the parties to resubmit a Joint Report on Proposed Scheduling Order, with new proposed deadlines consistent with the Court's intended trial date by 6/28/2007. (Signed by Judge Barbara M. G. Lynn on 6/14/2007) (skt) (Entered: 06/14/2007)

06/27/2007 334 Supplement to Joint Report on Proposed Scheduling Order by David J Lesar, The Archdiocese of Milwaukee Supporting Fund, Inc., Halliburton Company. (Boies, Caryl) Modified on 6/28/2007 (cxb). (Entered: 06/27/2007)

06/29/2007 335 ORDER granting Defendant's request. Defendant may file for reconsideration, no later than 07/09/2007. (see order for specifics) (Signed by Judge Barbara M. G. Lynn on 06/29/2007) (axm) (Entered: 07/02/2007)

07/09/2007 336 MOTION for Reconsideration re 255 MOTION to Dismiss by David J Lesar with Brief in Support. (Attachments: # 1 Appendix in Support) (Gonzalez, Jose) (Entered: 07/09/2007)

07/19/2007 337 RESPONSE in Opposition filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 336 MOTION for Reconsideration re 255 MOTION to Dismiss (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/19/2007)

08/06/2007 338 SCHEDULING ORDER: This case is set for jury trial on this Court's three-week docket beginning Monday, July 6, 2009, at 9:00 a.m. Factual Discovery due by 8/18/2008. Expert Discovery due by 1/15/09. Pretrial Conference set for 7/2/2009 09:00 AM before Judge Barbara M. G. Lynn. Dispositive Motions due by 3/16/2009. Proposed Pretrial Order due by 6/15/2009. Pretrial Materials due by 6/15/2009. Settlement Status Report due by 1/6/2009. (see order for specifics)

(Signed by Judge Barbara M. G. Lynn on 8/6/07) (klm) (Entered: 08/06/2007)

08/07/2007 339 ORDER AMENDING DATE FOR PRETRIAL CONFERENCE. Pretrial Conference set for 7/2/2009 09:00 AM before Judge Barbara M. G. Lynn.(see order for specifics) (Signed by Judge Barbara M. G. Lynn on 08/07/07) (lmp) (Entered: 08/07/2007)

09/11/2007 340 NOTICE by City of Dearborn Heights Act 345 Police & Fire Retirement System, Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund *Notice of Firm Name Change* (Brown, Andrew) (Entered: 09/11/2007)

09/17/2007 341 MOTION to Certify Class *and Incorporated memorandum of Points and Authorities in Support Thereof* by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Appendix Part 1 # 2 Appendix Part 2 # 3 Appendix Part 3 # 4 Appendix Part 4 # 5 Appendix Part 5 # 6 Appendix Part 6 # 7 Appendix Part 7) (Boies, Caryl) (Entered: 09/17/2007)

10/22/2007 342 Joint MOTION to Extend Briefing Schedule on Plaintiff's Motion for

Class Certification by Halliburton Company, The Archdiocese of Milwaukee Supporting Fund Inc, David Lesar. (Pulliam, Jessica) Modified on 10/23/2007 (npk) (Entered: 10/22/2007)

10/23/2007 343 Agreed ORDER granting 342 Motion to Extend Briefing Schedule on Plaintiff's Motion for Class Certification Time. Replies due by 12/14/2007. Responses due by 11/15/2007. (Signed by Judge Barbara M. G. Lynn on October 23, 2007) (jyg) (Entered: 10/23/2007)

10/29/2007 344 Mail Returned as Undeliverable. 343 Order on Motion to Extend Time received back from Gary McGowan as Return to Sender. (lmp) (Entered: 10/30/2007)

11/16/2007 345 Joint MOTION to Strike the Report of Jane Nettesheim by David J Lesar, Halliburton Company re 341 MOTION to Certify Class and Incorporated Memorandum of Points and Authorities in Support Thereof. (Attachments: # 1 Appendix to Motion to Strike) (Pulliam, Jessica) Modified on 12/26/2007 (axm). Modified on 1/7/2008 (axm). (Entered: 11/16/2007)

11/16/2007 346 RESPONSE in Opposition filed by David J Lesar, Halliburton Company

re 341 MOTION to Certify Class *and Incorporated memorandum of Points and Authorities in Support Thereof* (Attachments: # 1 Appendix to Response # 2 Exhibit 1 # 3 Exhibit 2 # 4 Exhibit 3 # 5 Exhibit 4 # 6 Exhibit 5 # 7 Exhibit 5 # 8 Exhibit 7 # 9 Exhibit 8 # 10 Exhibit 9 # 11 Exhibit 10 # 12 Exhibit 11 # 13 Exhibit 12 # 14 Exhibit 13 # 15 Exhibit 14 # 16 Exhibit 15 # 17 Exhibit 16 # 18 Exhibit 17 # 19 Exhibit 18 # 20 Exhibit 19 # 21 Exhibit 20 # 22 Exhibit 21 # 23 Exhibit 22 # 24 Exhibit 23 # 25 Exhibit 24 # 26 Exhibit 25 # 27 Exhibit 26 # 28 Exhibit 27 # 29 Exhibit 28A # 30 Exhibit 28B # 31 Exhibit 28C # 32 Exhibit 29) (Pulliam, Jessica) (Entered: 11/16/2007)

12/21/2007 347 REPLY filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 341 MOTION to Certify Class *and Incorporated memorandum of Points and Authorities in Support Thereof* (Boies, David) (Entered: 12/21/2007)

12/21/2007 348 RESPONSE in Opposition filed by The Archdiocese of Milwaukee Supporting Fund, Inc re 345 Amended MOTION to Strike Expert Report of Jane Nettesheim. (Boies, David) Modified on 12/26/2007 (axm). (Entered: 12/21/2007)

12/21/2007 349 MOTION to Strike the Expert Report of Lucy Allen and Incorporated Memorandum of Point and Authorities by The Archdiocese of Milwaukee Supporting Fund, Inc. with Brief/ Memorandum in Support. (Boies, David) Modified on 12/26/2007 (axm. (Entered: 12/21/2007)

12/21/2007 350 Appendix in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 349 MOTION to Strike the Expert Report of Lucy Allen and Incorporated Memorandum of Point and Authorities 348 Response in Opposition, 347 Reply to Response to Motion (Attachments: # 1 Appendix 001-084 # 2 Appendix 085-149 # 3 Appendix 150-232) (Boies, David) (Entered: 12/21/2007)

12/21/2007 351 ORDER Setting Deadlines as to 345 Motion to Strike the Report of Jane Nettesheim, 349 Motion to Strike the Expert Report of Lucy Allen. Dfts' Reply in Support of the Motion to Strike the Expert Report of Jane Nettesheim due by 1/18/08; Dfts Opposition to Lead Plas Motion to Strike the Expert Report of Lucy Allen due by 1/18/08. (Signed by Judge Barbara M. G. Lynn on 12/21/2007) (axm) Modified on 1/15/2008 (Lyon, Leigh). (Entered: 12/26/2007)

01/18/2008 352 REPLY filed by Halliburton Company, David J Lesar re 345 Joint MOTION to Strike 341 MOTION to Certify Class and Incorporated memorandum of Points and Authorities in Support Thereof. (Sterling, David) Modified on 1/23/2008 (tln). (Entered: 01/18/2008)

01/18/2008 353 RESPONSE filed by Halliburton Company, David J Lesar re 349 MOTION to Strike the Expert Report of Lucy Allen and Incorporated Memorandum of Point and Authorities (Sterling, David) (Entered: 01/18/2008)

01/18/2008 354 Supplemental Appendix in Support filed by Halliburton Company, David J Lesar re 352 Reply to Response to Motion, 353 Response to Motion (Sterling, David) Modified on 1/23/2008 (jrb). (Entered: 01/18/2008)

01/24/2008 355 Amended Supplemental Appendix in Support filed by Halliburton Company, David J Lesar re 352 Reply to Response to Motion, 353 Response to Motion (Sterling, David) Modified on 1/25/2008 (tln). Modified on 1/25/2008 (tln). (Entered: 01/24/2008)

02/04/2008 356 REPLY filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re

		349 MOTION to Strike the Expert Report of Lucy Allen and Incorporated Memorandum of Point and Authorities (Boies, David) (Entered: 02/04/2008)
03/18/2008	357	ORDER SETTING HEARING as to 341 Motion to Certify Class, 345 Motion to Strike the Report of Jane Nettesheim, and 349 MOTION to Strike the Expert Report of Lucy Allen. Motion Hearing set for 3/21/2008 03:30 PM before Judge Barbara M. G. Lynn. (Signed by Judge Barbara M. G. Lynn on 3/18/08) (svc) (Entered: 03/18/2008)
03/18/2008	358	ORDER denying 336 Motion for Reconsideration. (Signed by Judge Barbara M. G. Lynn on 3/18/2008) (axm) (Entered: 03/18/2008)
03/21/2008	359	Minute Entry for proceedings held before Judge Barbara M. G. Lynn: Motion Hearing held on 03/21/08 re 349 Motion to Strike filed by The Archdiocese of Milwaukee Supporting Fund, Inc., 345 Motion to Strike, filed by Halliburton Company, David J Lesar, 341 Motion to Certify Class, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. The Court heard arguments on the Motion to Certify Class and the Motions to Strike. The Court denied both Motions

to Strike and took the Motion to Certify Class under advisement. Attorney Appearances: Plaintiff - Counsel of Record; Defense - Counsel of Record. (Court Reporter Sue Engledow.) Time in Court: 3 hrs. (lmp) (Entered: 03/25/2008)

03/25/2008 360 ORDER Denying 345 Joint MOTION to Strike the Report of Jane Nettesheim, and 349 Motion to Strike the Expert Report of Lucy Allen. See order for specifics. (Signed by Judge Barbara M. G. Lynn on 3/25/08) (svc) (Entered: 03/25/2008)

03/28/2008 361 TRANSCRIPT of Motions Hearing Proceedings held on March 21, 2008 before Judge Barbara M.G. Lynn. Court Reporter Name/Phone Number: Sue Engledow/214-753-2325. District Clerk Phone Number: 214-753-2633. ***The Official Record of the transcript is on file with the clerk's office. Contact either the clerk's office or the court reporter at phone numbers listed above to obtain a copy of the Official Record.*** (Attachments: # 1 Transcript) (klm) (Entered: 03/31/2008)

05/14/2008 362 NOTICE *of Subpoena to Arthur Andersen* filed by The Archdiocese of Milwaukee Supporting Fund, Inc.

(Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 363 NOTICE *of Subpoena to Gollatz Griffin & Ewing* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 364 NOTICE *of Subpoena to Hamilton Rabinovitz & Alschuler, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 365 NOTICE *of Subpoena to Kirkpatrick & Lockhart et alia, Dallas TX* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 366 NOTICE *of Subpoena to Kirkpatrick & Lockhart et alia, Pittsburgh PA* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 367 NOTICE *of Subpoena to KPMG Company* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

Appendix A

05/14/2008 368 NOTICE *of Subpoena to Marsh USA, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 369 NOTICE *of Subpoena to Mendes & Mount, LLP* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 370 NOTICE *of Subpoena to Peterson Consulting/Navigant* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 371 NOTICE *of Subpoena to PricewaterhouseCoopers L.L.P.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 372 NOTICE *of Subpoena to United States Securities Exchange Commision, Washington, D.C.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 373 NOTICE *of Subpoena to United States Securities and Exchange Commission, Fort Worth, Texas* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 374 NOTICE *of Subpoena to Towers Perrin* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

05/14/2008 375 NOTICE *of Subpoena to Vinson & Elkins L.L.P.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 05/14/2008)

06/06/2008 376 NOTICE *of Subpoena to Towers Perrin* re: 374 Notice of Subpoena to Towers Perrin filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/06/2008)

06/06/2008 377 NOTICE *of Subpoena to Peterson Consulting/Navigant* re: 370 Notice of Subpoena to Peterson Consulting/ Navigant filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies,

Caryl) Modified on 6/9/2008 (axm). (Entered: 06/06/2008)

06/06/2008 378 NOTICE *of Subpoena to Smith Barney* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 379 NOTICE *of Subpoena to Donaldson, Lufkin & Jenrette* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 380 NOTICE *of Subpoena to ABN Amro Bank N.V. U.S.A.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 381 NOTICE *of Subpoena to Capital One Southcoast, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 382 NOTICE *of Subpoena to Brown Brothers Harriman & Co.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 383 NOTICE *of Subpoena to Argus Research Corporation* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 384 NOTICE *of Subpoena to Deutsche Banc Alex Brown* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 385 NOTICE *of Subpoena to Wachovia Securities; Re-A.G. Edwards & Sons, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/06/2008)

06/06/2008 386 NOTICE *of Subpoena to Sun Trust; Re: Robinson-Humphrey* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/06/2008)

06/06/2008 387 NOTICE *of Subpoena to PNC Institutional Investment Service* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 388 NOTICE *of Subpoena to NatWest Market Group, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 389 NOTICE *of Subpoena to Morgan Stanley* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 390 NOTICE *of Subpoena to Johnson, Rice & Co. LLC* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 391 NOTICE *of Subpoena to ING Financial Markets LLC* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 392 NOTICE *of Subpoena to Highlands Insurance Company* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 393 NOTICE *of Subpoena to Dain Rauscher Wessels* filed by The Archdiocese of Milwaukee Supporting Fund, Inc.

(Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 394 NOTICE *of Subpoena to CIBC World Markets* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 395 NOTICE *of Subpoena to UBS Warburg re: Painewebber* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/06/2008)

06/06/2008 396 NOTICE *of Subpoena to Wachovia Securities* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 397 NOTICE *of Subpoena to UBS Warburg* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 398 NOTICE *of Subpoena to Stephens, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

Appendix A

06/06/2008 399 NOTICE *of Subpoena to Sanford C. Bernstein & Co., Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 400 NOTICE *of Subpoena to Citigroup Re: Salomon Smith Barney* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 401 NOTICE *of Subpoena to RBC Capital Markets* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 402 NOTICE *of Subpoena to Prudential Securities* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 403 NOTICE *of Subpoena to Bear, Stearns & Co., Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 404 NOTICE *of Subpoena to Merrill Lynch* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments:

1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/06/2008 405 NOTICE *of Subpoena to Jeffries & Company, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 06/06/2008)

06/09/2008 406 *Corrected* NOTICE *of Subpoena to Towers Perrin* re: 376 Notice of Subpoena to Towers Perrin filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/09/2008)

06/09/2008 407 *Corrected* NOTICE *of Subpoena to Peterson Consulting/Navigant* re: 377 Notice of Subpoena to Peterson Consulting/Navigant filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) Modified on 6/9/2008 (axm). (Entered: 06/09/2008)

06/17/2008 408 NOTICE *of Deposition of Phillip Vogler* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) (Entered: 06/17/2008)

Appendix A

06/17/2008 409 NOTICE *of Deposition of Andrea Ban Tecce* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) (Entered: 06/17/2008)

06/17/2008 410 NOTICE *of Deposition of Dr. Francine Rabinowitz* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) (Entered: 06/17/2008)

06/17/2008 411 NOTICE *of Deposition of Linda Nabors* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) (Entered: 06/17/2008)

06/23/2008 412 MOTION to Quash Subpoena filed by Highlands Insurance Company (Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Text of Proposed Order Proposed Order) (Martin, Brian) Modified on 6/24/2008 (jyg). (Entered: 06/23/2008)

06/26/2008 413 ORDER REFERRING 412 Motion to Quash filed by Highlands Insurance Company. Motion(s) referred to Magistrate Judge Jeff Kaplan. (Signed by Judge Barbara M. G. Lynn on 6/26/2008) (axm) (Entered: 06/26/2008)

06/26/2008 414 Standing Order for Electronic Filings Related to Matters Referred to the United States Magistrate Judge - see order for specifics. (Signed by Magistrate Judge Jeff Kaplan on 6/26/2008) (axm) (Entered: 06/26/2008)

06/27/2008 415 ORDER denying 412 Highland's Motion to Quash Subpoena for want of jurisdiction. (see order for specifics) (Signed by Magistrate Judge Jeff Kaplan on 6/27/08) (tln) (Entered: 06/27/2008)

07/11/2008 416 Agreed NOTICE of Modification of Discovery Schedule filed by Halliburton Company, David J Lesar, The Archdiocese of Milwaukee Supporting Fund, Inc. (Sterling, David) Modified on 7/14/2008 (tln). (Entered: 07/11/2008)

07/11/2008 417 NOTICE *of Subpoena to ACE USA* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 418 NOTICE *of Subpoena to Adams and Reese LLP* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

Appendix A

07/11/2008 419 NOTICE *of Subpoena to American International Group; Re: National Union Fire Insurance Company* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 420 NOTICE *of Subpoena to Alan Gray & Associates* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 421 NOTICE *of Subpoena to Munich Reinsurance America, Inc.; Re: American Reinsurance Company* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 422 NOTICE *of Subpoena to ANH Refractories Headquarters; Re: Harbison Walker* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 423 NOTICE *of Subpoena to Christie, Pabarue, Mortensen & Young* filed by The Archdiocese of Milwaukee

Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 424 NOTICE *of Subpoena to Employers Reinsurance Corporation* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 425 NOTICE *of Subpoena to Jackson & Campbell, P.C.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 426 NOTICE *of Subpoena to Lynn Luker & Associates, LLC* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 427 NOTICE *of Subpoena to Meckler Bulger & Tilson LLP* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 07/11/2008)

07/11/2008 Set/Reset Deadlines per doc. 416: Discovery due by 12/9/2008. (tln) (Entered: 07/14/2008)

Appendix A

07/18/2008 428 MOTION to Compel *for Declaration That Privilege Has Been Waived By Halliburton's Refusal to Provide An Adequate Privilege Log and to Compel Production of Withheld Documents* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, David) (Entered: 07/18/2008)

07/18/2008 429 Appendix in Support filed by The Archdiocese of Milwaukee Supporting Fund, Inc. re 428 MOTION to Compel *for Declaration That Privilege Has Been Waived By Halliburton's Refusal to Provide An Adequate Privilege Log and to Compel Production of Withheld Documents* (Attachments: # 1 Appendix Part 1 of 5, # 2 Appendix Part 2 of 5, # 3 Appendix Part 3 of 5, # 4 Appendix Part 4 of 5, # 5 Appendix Part 5 of 5) (Boies, David) (Entered: 07/18/2008)

07/22/2008 430 ORDER REFERRING 428 Plaintiffs' Motion to Compel Declaration that Privilege has been Waived By Halliburton's Refusal to Provide Adequate Privilege Log and to Compel Production of Withheld Documents. Motion referred to Magistrate Judge Jeff Kaplan. (Signed by Judge Barbara M. G. Lynn on 7/22/2008) (axm) Modified on 7/31/2008 (caw). (Entered: 07/22/2008)

07/23/2008 431 ORDER denying 428 Plaintiffs' Motion to Compel Declaration that Privilege has been Waived by Halliburton's Refusal to Provide an Adequate Privilege Log and to Compel Production of Withheld Documents. Defendant shall produce a fourth privilege log to counsel for Lead Plaintiff by 08/13/2008. (see order) (Signed by Magistrate Judge Jeff Kaplan on 7/23/2008) (axm) Modified on 7/31/2008 (caw). (Entered: 07/24/2008)

08/06/2008 432 NOTICE *of Deposition of Hamilton, Rabinovitz & Associates, Inc.* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit 1) (Boies, Caryl) (Entered: 08/06/2008)

08/12/2008 434 Mail Returned as Undeliverable. 431 Order on Motion to Compel received back from Neil Rothstein as forward time expired-return to sender. (jrb) (Entered: 08/14/2008)

08/13/2008 433 NOTICE *of Filing Proposed Stipulation and Protective Order* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A - Proposed Stipulation and Protective Order) (Boies, Caryl) (Entered: 08/13/2008)

08/18/2008	435	STIPULATION AND PROTECTIVE ORDER. (see order for specifics) (Signed by Judge Barbara M. G. Lynn on 8/18/08) (tln) (Entered: 08/18/2008)
08/25/2008	436	NOTICE *of Videotaped Deposition of Fred Hartzke* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) Modified on 8/26/2008 (lmp). (Entered: 08/25/2008)
09/02/2008	437	NOTICE of Attorney Appearance by Jenny L Martinez on behalf of David J Lesar. (Martinez, Jenny) (Entered: 09/02/2008)
09/02/2008	438	NOTICE of Attorney Appearance by Jenny L Martinez for R. Alan York on behalf of David J Lesar. (Martinez, Jenny) (Entered: 09/02/2008)
09/29/2008	439	NOTICE *of Videotaped Deposition of Gary Bohnsack* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Attachments: # 1 Exhibit A) (Boies, Caryl) (Entered: 09/29/2008)
09/29/2008	440	***VACATED PER ORDER FILED 10/9/08 #442***ORDER denying 341 Motion to Certify Class. The Court will issue a Memorandum Opinion

elaborating on the reasons for this decision on or before November 3, 2008. (see order) (Signed by Judge Barbara M. G. Lynn on 09/29/08) (lmp) Modified on 10/9/2008 (jyg). (Entered: 09/30/2008)

10/06/2008 441 LEAD PLAINTIFFS MOTION FOR TEMPORARY STAY filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, David) Modified on 10/6/2008 (svc). (Entered: 10/06/2008)

10/09/2008 442 ORDER granting 441 Lead Plaintiff's Motion for Temporary Stay. IT IS ORDERED that the September 29, 2008 Order denying class certification is hereby VACATED. (Signed by Judge Barbara M. G. Lynn on 10/9/08) (jyg) (Entered: 10/09/2008)

10/14/2008 443 NOTICE *of Firm Name Change* filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (Kendall, Joe) (Entered: 10/14/2008)

11/04/2008 444 Memorandum Opinion and Order denying 341 Motion to Certify Class filed by The Archdiocese of Milwaukee Supporting Fund, Inc. (see order for specifics) (Ordered by Judge Barbara M. G. Lynn on 11/4/08) (tln) (Entered: 11/04/2008)

12/29/2008	445	Received letter from USCA5 re court's order granting the application for leave to appeal. (lmp) (Entered: 12/30/2008)
12/29/2008		NOTICE OF INTERLOCUTORY APPEAL to the Fifth Circuit as to 445 USCA5 Order, by The Archdiocese of Milwaukee Supporting Fund, Inc.. T.O. form to appellant electronically at Transcript Order Form or US Mail as appropriate. Copy of NOA to be sent US Mail to parties not electronically noticed. (See Document 445 for image.) (jmr) (Entered: 02/04/2009)
01/05/2009		Receipt of payment for USCA Appeal Fee. Authorized by 445 Letter. $455.00; Receipt # DLS0027611. (jmr) (Entered: 01/05/2009)
01/05/2009	446	TRANSCRIPT REQUEST by The Archdiocese of Milwaukee Supporting Fund, Inc. (Boies, Caryl) (Entered: 01/05/2009)
02/04/2009		USCA Case Number is 08-11195 in USCA5 for Notice of Appeal, filed by The Archdiocese of Milwaukee Supporting Fund, Inc.. (jmr) (Entered: 02/04/2009)
02/04/2009		Record on Appeal Certified to US Court of Appeals, 5th Circuit re Notice of

		Appeal, - USCA5 Number: 08-11195. 43 vol. electronic record, 5 transcripts, 1 sealed transcript, and 3 folders of unscanned documents. (jmr) Modified on 2/5/2009 (jmr). (Entered: 02/04/2009)
02/04/2009		SUPPLEMENTAL Record on Appeal Certified to US Court of Appeals, 5th Circuit re Notice of Appeal, - USCA5 Number: 08-11195. 3 transcripts. (jmr) Modified on 2/17/2009 (jmr). (Entered: 02/04/2009)
02/04/2009		SUPPLEMENTAL Record on Appeal Certified to US Court of Appeals, 5th Circuit re Notice of Appeal, - USCA5 Number: 08-11195. 1 vol. each of 3:02cv1168, 3:02cv1238, 3:02cv1247, 3:02cv1248, 3:02cv1261, 3:02cv1267, 3:02cv1268, 3:02cv1368, 3:02cv1532, 3:02cv1615, 3:02cv1633, 3:02cv1634, 3:02cv2067, 3:02cv2082, 3:02cv2089, 3:02cv2129, 3:02cv2130, 3:02cv2373 and 4 vol. of 3:05cv1156. (jmr) (Entered: 02/17/2009)
02/18/2009	447	NOTICE of Transfer of the Appellate Record to Clark Dunlap re: Notice of Appeal. (jmr) (Entered: 02/18/2009)
06/09/2009	448	ORDER. This case is hereby STAYED pending the Fifth Circuit's decision

on the Plaintiffs' interlocutory appeal of the Court's order denying class certification. All pretrial deadlines which have not already expired are hereby SUSPENDED. The pretrial conference, set for July 2, 2009, at 9:00 a.m., is hereby CANCELLED. (Ordered by Judge Barbara M. G. Lynn on 06/09/09) (lmp) (Entered: 06/09/2009)

07/02/2009 449 SUPPLEMENTAL Record on Appeal Transmitted to USCA5 re Notice of Appeal, - USCA5 Number: 08-11195. 1 sealed transcript. (jmr) (Entered: 07/02/2009)

07/14/2009 450 Mail Returned as Undeliverable. 449 Appeal Record Sent received back from Edmund W Searby as Unable to forward. (Attachments: # 1 Supplement Envelope) (drh) (Entered: 07/14/2009)

07/23/2009 451 Received letter from USCA5 acknowledging receipt of supplemental record. (axm) (Entered: 07/24/2009)

03/11/2010 452 Opinion of USCA (certified copy) in accordance with USCA judgment re Notice of Appeal, filed by The Archdiocese of Milwaukee Supporting Fund, Inc. The district court's judgment denying the Plaintiff's motion for class

certification is AFFIRMED. (tln) (Entered: 03/12/2010)

03/11/2010 453 JUDGMENT/MANDATE of USCA as to Notice of Appeal filed by The Archdiocese of Milwaukee Supporting Fund Inc. Issued as Mandate: 3/8/2010. AFFIRMED. (see judgment) (tln) (Additional attachment(s) added on 3/15/2010: # 1 Main Document) (axm). Modified pdf on 3/15/2010. (axm). (Entered: 03/12/2010)

03/12/2010 454 Appeal Record Returned: The electronic copy of the record has been recycled. (1 Sealed Transcript, 7 Transcripts, 3 Folders-Original Documents) (axm) (Entered: 03/15/2010)

03/17/2010 455 Order: Proposed Scheduling Order due by 4/2/2010. (See Order) (Ordered by Judge Barbara M. G. Lynn on 3/17/2010) (dnc) (Entered: 03/18/2010)

03/26/2010 456 Joint STATUS REPORT *and Proposed Order* filed by The Archdiocese of Milwaukee Supporting Fund, Inc.. (Attachments: # 1 Text of Proposed Order) (Boies, Caryl) (Entered: 03/26/2010)

03/29/2010	457	ORDER: It is ORDERED that this case is stayed until 5/13/2010. The parties are further ORDERED to submit a joint status report on 5/14/2010, advising the Court as to whether any such petition has been filed. (See Order) (Ordered by Judge Barbara M. G. Lynn on 3/29/2010) (mfw) (Entered: 03/30/2010)
05/14/2010	458	Joint STATUS REPORT filed by The Archdiocese of Milwaukee Supporting Fund, Inc.. (Attachments: # 1 Exhibit(s) A) (Boies, Caryl) (Entered: 05/14/2010)

APPENDIX B— LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION AND INCORPORATED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION FILED SEPTEMBER 17, 2007

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

Master Docket No. 3:02-CV-1152-M

CLASS ACTION

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf of itself and All Others Similarly Situated,

Lead Plaintiff,

vs.

HALLIBURTON COMPANY, et al.,

Defendants.

This Document Relates to:
ALL ACTIONS.

LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATIONAND INCORPORATED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

[TABLES INTENTIONALLY OMITTED]

Appendix B

INTRODUCTION

This is a securities class action brought on behalf of persons who purchased the common stock of Halliburton Company ("Halliburton" or the "Company") between June 3, 1999, through and including December 7, 2001, (the "Class Period"), against Halliburton and David J. Lesar, (collectively, "Defendants" or "Halliburton"). Lead Plaintiff, the Archdiocese of Milwaukee Supporting Fund, Inc. ("AMS Fund") seeks an order under Fed. R. Civ. P. 23(a) and 23(b)(3) certifying a plaintiff class of all persons and entities who purchased or otherwise acquired Halliburton's common stock during the Class Period. The Lead Plaintiff AMS Fund requests that it be appointed a Class Representative and that another injured party, Lt. Col. Ben Alan Murphey, who filed a complaint and timely objected to a previous settlement that was found to be inadequate, also be named as a Class Representative. While the AMS Fund is adequate to serve as the sole Class Representative, it believes that the Class will benefit from Mr. Murphey serving as well. Finally, Lead Plaintiff requests that current Lead Counsel, Boies, Schiller & Flexner LLP, ("Boies Schiller" or "Lead Counsel") be designated as Class Counsel.

The Fourth Consolidated Amended Complaint for violation of the federal securities laws (the "FCAC") alleges that during the Class Period, Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78a *et seq.*, by deliberately falsifying Halliburton's financial results and deliberately and/or recklessly misleading the public about the financial

condition and success of Halliburton's business, including its construction operations, the benefits of its acquisition of Dresser, Inc., its exposure to asbestos liability and its future business and financial prospects. ¶¶ 2, 4-44[1]. Such securities fraud class actions are routinely certified by the courts of the Fifth Circuit. *In re Electronic Data Sys. Corp. Sec. Litig.*, 226 F.R.D. 559 (E.D. Tex. 2005); *In re Reliant Sec. Litig.*, No. H-02-1810, 2005 U.S. Dist. LEXIS 9716 (S.D. Tex. Feb. 18, 2005).[2] As is the case here, each of the foregoing certified cases involved false and misleading statements and/or omissions of material facts which caused investors to purchase stock at inflated prices during the Class Period. In those cases, as it should be here, a Class was certified despite the fact that investors purchased different amounts of stock on different days during the Class Period.

The primary issue for class certification in a securities case like this is whether there is a basis for a claim of loss causation. *Oscar Private Equity Investment v. Allegiance*, 487 F.3d 261 (5th Cir. 2007). In this case, the facts alleged, along with the Report of Jane D. Nettesheim, Appendix at 001 - 557 ("Nettesheim" and the "Report"), establish, among other things:

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1. Unless otherwise indicated, all paragraph ("¶") references are to the FCAC.

2. See also *In re Dynegy, Inc. Sec. Litig.*, 226 F.R.D. 263 (S.D. Tex. 2004); *Lehocky v. Tidel Techs., Inc.*, 220 F.R.D. 491 (S.D. Tex. 2004); *In re Firstplus Fin. Group, Inc. Sec. Litig.*, Civ. Action No. 3:98-CV-2551-M, 2002 U.S. Dist. LEXIS 20446 (N.D. Tex. Oct. 23, 2002).

- On October 24, 2000, the Company announced that it would be restructuring its construction units. As alleged in the FCAC, the restructuring was necessitated due to the problems with the Dresser integration. FCAC ¶ 144. This partial disclosure caused Halliburton's stock price to decline from $41.63 to $37.06, a statistically significant decline. Report at ¶ 93.

- On December 21, 2000, Halliburton pre-announced its fourth quarter earnings and announced that it would be taking $120 million after tax charge, $95 million of which was required to write-off previously undisclosed losses on fixed price construction contracts. FCAC ¶ 150. This partial disclosure caused Halliburton's stock price to decline from $37.00 to $36.00, a statistically significant decline. Report at ¶ 106.

- On June 28, 2001, Halliburton disclosed, for the first time, that Harbison, a former Dresser subsidiary, had asked for financial assistance for asbestos claims. FCAC ¶ 170-171. This partial disclosure regarding Halliburton's potential asbestos liability caused Halliburton's stock price to decline from $37.17 to $35.60, a statistically significant decline. Report at ¶ 115-116.

- On December 4-7, 2001, Halliburton disclosed information regarding recent adverse asbestos verdicts, making clear that the Company's existing $125 million in asbestos reserves were not, as previously represented, adequate. FCAC ¶ 191. This disclosure caused the price of Halliburton stock to decline, on

December 7, 2001 alone, from $20.85 to $12.00, a statistically significant decline. Report at ¶ 133.

SUMMARY OF CLAIMS

The key facts are set forth in the FCAC. Briefly summarized below, the FCAC alleges a series of false and misleading statements relating, among other things, to Halliburton's accounting practices with respect to 1) its improper booking of unapproved claims as revenue; 2) its knowingly inadequate reserves for asbestos liability; and, 3) its severe but undisclosed problems associated with the acquisition and integration of Dresser.

Accounting for Unapproved Claims

Prior to mid-1997, the business unit Brown Root Energy Services ("BRES") and the reporting segment Engineering and Construction ("E&C") principally entered into cost-plus or segmented fix fee contracts. In the 1997 Annual Report, Halliburton stated that "the keys to increasing revenue and improving profit margins . . . will be . . . acceptance of more . . . fixed price contracts." ¶ 68. Far from leading to improved revenue and profit margins, the fixed-price contracts accepted by the Company resulted in cost overruns and delays, and customers' refusal to pay millions in unapproved claims. ¶ 10.

Prior to the second fiscal quarter of 1998, as disclosed in public statements and filings with the Securities and Exchange Commission ("SEC"), Halliburton did not

report unapproved claims as revenue until the claim was resolved. ¶ 69. However, in second quarter 1998 the Company began to record unapproved claims as revenue even if customers had not agreed to pay and were not legally obligated to do so. ¶ 11. Under the new, undisclosed accounting policy, Halliburton's losses on these contracts appeared as revenue and falsely inflated Halliburton's reported operating incomes and margins and overall financial health. ¶¶ 11-14, 204-236. FCAC ¶¶ 11-72, 210-219.

Knowing the change in accounting for unapproved claims falsely represented the Company's revenue, profit and financial health, Halliburton nevertheless continued to claim success on these large fixed-price contracts. On July 22, 1998, Halliburton reported that the "Engineering and Construction Group business segments second quarter, 1998, operating income increased 66 percent . . . operating margin for the segment improved to 6.5 percent compared to last year's 3.9 percent . . .." ¶ 80. Similar claims of financial success were made when Halliburton issued a release reporting its third quarter, 1998 results on October 29, 1998, stating that "[d]espite weaker market conditions, the . . . construction activities of Brown & Root Energy Services registered higher revenues for the quarter." ¶ 86. In fact, the higher revenues were not due to improved operations, but were the result of the change in accounting for unapproved claims.

Despite Halliburton's claims of success, in connection with its year-end 1998 results, Halliburton was forced to take a $60 million charge for unapproved claims. While announcing the charge, the Company assured analyst

that the charge was not necessitated by the premature booking of unapproved claims as revenue, but rather was required because of customers' change of attitude about paying unapproved claims. ¶ 90. The Company further reiterated that it would not accept or perform change orders unless the customer agreed in advance to pay for the extra work, thereby indicating that it would continue its practice of not booking revenue on unapproved claims until the claim was resolved. This statement was false and misleading because Halliburton had in fact changed its accounting practice, and further, the statement indicated the problem resulting in the $60 million charge, had been addressed, and therefore, there would be no such future charges.

Thereafter, on June 9, 1999, Richard B. Cheney ("Cheney") and Gary V. Morris ("Morris") made a joint presentation at the 12th Annual Paine Webber Energy Conference. On behalf of the Company, Cheney and Morris explained that "Hal has adjusted to the change in customer philosophy" and requires that customers provide "assurance of payment . . . along the way . . ."; and, restated management's "confidence in downstream margins going forward." ¶ 91. These statements were relied upon and repeated in subsequent analyst reports. ¶¶ 92-93.

By including the unapproved claims in the Company's reported revenue, profit and margins were more favorable than they would have been if the accounting policy had not been changed. The Company invoked these overstated numbers to perpetuate the perception of success, and boasted the year-over-year improvements in revenue

but failed to disclose that the improved financials were the result of the accounting change, not of improved operations.

It was not until March, 2000, in Halliburton's 1999 Annual Report, that the Company slipped a sentence into the notes to its financial statements that it was now recognizing revenue on unapproved claims when it deemed collection "probable." ¶ 124. However, this belated disclosure was still misleading because it did not disclose that the Company had already, over the prior six quarters, secretly and improperly recognized at least tens of millions in unapproved claims as revenue, even though they were unlikely to be collected and could not be accurately estimated, two strict requirements under Generally Accepted Accounting Principles ("GAAP") for recognizing Unapproved Claims as revenue. ¶¶ 13-14, 204-209. Moreover, Halliburton continued the practice of comparing the inflated post-change financial results to the pre-change financial results, without disclosing the inflating effects of the new accounting method.

In public statements and filings with the SEC subsequent to its 1999 Annual Report, Halliburton repeated that its accounting practice was not to book revenue on unapproved claims until it deemed collection was probable. Each of these statements however was false and misleading because Halliburton continued to improperly record millions in uncollectible and inestimable Unapproved Claims as revenue every quarter. ¶¶ 11-14, 204-209, 234-236.

Appendix B

Asbestos Liability

Halliburton also repeatedly assured investors that the resolution of Dresser's legacy of asbestos suits would not have a material impact on Halliburton's finances. Halliburton's 1998 Annual Report assured investors that the $12 million then reserved was adequate, and "that the pending asbestos claims will be resolved without a material effect on Halliburton's financial position or results of operations." ¶ 101. While over time the Company made slight increases to the actual amount of reserves, Halliburton continued throughout the Class Period to falsely represent that it had adequately reserved for potential asbestos liability. For example, on November 15, 1999, Halliburton filed its third quarter, 1999 10Q, which stated that reserves had been increased to $13 million, and assured investors that $13 million asbestos reserves were adequate.

Similarly, on May 15, 2000, Halliburton filed its first quarter, 2000 10Q. Regarding Halliburton's potential asbestos litigation, the Company announced that it had accrued $25 million, and that management believed that pending asbestos claims would be resolved without material effect on Halliburton's financial position. As detailed in the FCAC, such unequivocal assurances were repeated in every SEC filing through May, 2001[3]. ¶¶ 88,

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3. Halliburton increased its accrual for asbestos by just $2 million in 3rd Q 00, $3 million in 4th Q 00 and $1 million in lst Q 01, resulting in accrued liabilities at March 31, 2001 of only $30 million while assuring analysts that Halliburton had "fully accrued" for all asbestos liabilities. ¶ 35.

101, 113, 126, 130, 148, 160, 166. In fact, as the Company knew, or was severely reckless in not knowing, Halliburton had potential liability of hundreds of millions of dollars, and was in litigation with various insurance carriers who were denying coverage.

Integration of Dresser Operations

In early 1998, Halliburton announced the $7 billion Dresser acquisition, assuring investors it was a "win," which would strengthen Halliburton's balance sheet and boost its "bottom-line" because Halliburton and Dresser were "an outstanding business and cultural fit." ¶ 8. Halliburton told investors the merger would result in the "strengthening [of Halliburton's] balance sheet," "lower costs" and "very significant savings . . . in excess of $1/4 billion" per year, *i.e.*, the "combination will be especially effective." ¶ 15. Thereafter, on September 13, 1999, Lesar told analysts and money managers at an energy conference that the Dresser merger would bring a $500 million annual benefit to the Company, up from the $250 million annual benefit the Company had previously stated would result from the acquisition. ¶ 115.

Halliburton continued to represent that the integration had been successful and would confer substantial benefits to Halliburton's home line. For example, Halliburton's 1999 Annual Report assured investors that "[t]he merger with Dresser Industries is now behind us. Integrating the operations of the two companies . . . [has] been an important part of our transition to the future . . . . The potential rewards to our shareholders are vast." ¶ 21, 122.

According to Cheney, Halliburton's stock was "one of the best investment opportunities." ¶¶ 21-22.

These positive but false statements inflated Halliburton's stock price to $52 by the Spring of 2000. *Id.* In fact, however, throughout the Class Period, there were ongoing and persistent problems with the integration of Dresser, costing the Company at least tens if not hundreds of millions of dollars.

PROPOSED CLASS REPRESENTATIVES

Lead Plaintiff AMS Fund proposes that it, along with Ben Alan Murphey, serve as Class Representatives. During the Class Period, Lead Plaintiff and proposed Class Representative AMS Fund purchased shares of Halliburton stock and, as of the end of the Class Period, suffered damages of approximately $71,000 as a result of Defendants' material misrepresentations and omissions. ¶ 54(a). AMS Fund, a charitable institution, has already expended substantial time and effort, and amply demonstrated its commitment to vigorously prosecute this litigation on behalf of the proposed Class. The AMS Fund has ably represented the Class by overseeing and communicating with appointed Lead Counsel, and keeping apprised of the ongoing developments in the case. Lead Plaintiff has undertaken an extensive investigation into Defendants' fraudulent schemes, and when former lead counsel sought approval of an inadequate settlement, AMS Fund, joined by proposed Class Representative Ben Alan Murphey, objected to, and defeated that settlement.

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During the Class Period, proposed Class Representative Ben Alan Murphey purchased shares of Halliburton stock, and, as of the end of the Class Period, suffered damages of approximately $11,000 as a result of Defendants' material misrepresentations and omissions. ¶ 54(f). Mr. Murphey filed his class action complaint in this action on March 9, 2005. Mr. Murphey has actively monitored this action through his communications with Special Counsel Neil Rothstein, and when former lead counsel sought approval of the inadequate settlement, Mr. Murphey joined in the AMS Fund in objecting to that settlement.

Mr. Murphey and AMS Fund stand ready, willing and able to perform the duties of a Class Representative, including testifying at depositions and responding to discovery requests.

ARGUMENT

A. Legal Standards for Class Certification Pursuant to Fed. R. Civ. Proc. 23

The party seeking certification bears the burden of proof and must demonstrate that the proposed class and its representative(s) satisfy the requirements of Rule 23(a) and one of the requirements of Rule 23(b). *Berger v. Compaq Computer Corp.*, 257 F.3d 475, 479 (5th Cir. 2001), *clarified on rehearing en banc*, 279 F.3d 313 (5th Cir. 2002). Here Lead Plaintiff moves for certification under Rule 23(b)(3), in that "questions of law or fact common to the members of the class predominate over any questions affecting only

individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy." Fed. R. Civ. P. 23(b)(3).

On a motion for class certification "the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met." *Eisen v. Carlisle & Jacquelin*, 94 S. Ct. 2140, 2153 (1974); *accord Bell v. Ascendant Solutions, Inc.*, 422 F.3d 307, 311 (5th Cir. 2005) *citing Castano v. American Tobacco Co.*, 84 F.3d 734, 744 (5th Cir. 1996) ("the strength of a plaintiff's claim should not affect the certification decision."). While the Fifth Circuit's recent opinion in *Oscar Private Equity Investment v. Allegiance*, 487 F.3d 261 (5th Cir. 2007) requires a showing of loss causation in order for a Lead Plaintiff to avail upon a fraud-on-the-market presumption of reliance, under *Allegiance* the inquiry is whether Plaintiff had offered "some empirically-based showing that the corrective disclosure was more than just present at the scene." *Id.* at 271.

A class action affords a single forum in which to litigate the same or similar claims, and affords an indispensable mechanism to conserve judicial resources. The Supreme Court, as well as courts throughout the country, have endorsed class actions in securities fraud claims. *Califano v. Yamasaki*, 442 U.S. 682, 701 (1979); *see, e.g., Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 809 (1985) ("most of the plaintiffs would have no realistic day in court if a class action were not available."). A district court has great discretion in deciding whether certification is proper. *Vizena v. Union Pacific R. R. Co.*, 360 F.3d 496, 502 (5th Cir. 2004).

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This case has all the elements of a certifiable, securities class action. The proposed Class is defined as all purchasers of Halliburton common stock during the Class Period, excluding defendants, officers and directors of the Company, as well as their families.[4] The Class consists of tens, if not hundreds of thousands of investors who acquired Halliburton's stock over a 31-month period and were damaged by the same fraudulent schemes and false and misleading statements and omissions of material facts. Accordingly, as demonstrated below, certification is appropriate.

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4. In accordance with Local Rule 23.2, counsel provides the following additional information: Plaintiffs' counsel has agreed to advance the money to fund this action. Counsel anticipates providing notice to all class members for whom they are able to obtain a valid address by U.S. mail, and supplementing that notice with publication notice in a national newspaper such as the Wall Street Journal. As part of the Stipulation and Agreement of Settlement, filed on May 10, 2004, initial Lead Counsel estimated that the cost of such a notice program would be $150,000. Lead counsel believes that figure is a rough approximation of the cost of a notice program, and is in the process of trying to gather the information needed for a more precise estimate. Plaintiffs' counsel has been retained in this action on a contingency basis and should plaintiffs prevail in this action, counsel is entitled both to payment of attorneys fees and to reimbursement of advanced costs. Plaintiffs do not believe any discovery is necessary for the class certification hearing other than deposition of expert witnesses unless defendants raise factual defenses to class certification. Counsel believes the depositions can be conducted within a few weeks of service of all relevant expert reports.

B. The Proposed Class Satisfies the Requirements of Rule 23(a)

Rule 23(a) sets forth four prerequisites for class certification: (1) The Class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the Class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the Class; and, (4) the representative parties will fairly and adequately protect the interests of the Class. Fed. R. Civ. P. 23(a). The requirements of Fed. R. Civ. P. 23(a) are commonly referred to as the "numerosity," "commonality," "typicality," and "adequacy", respectively. *See Ortiz v. Fibreboard Corp.*, 527 U.S. 815 (1999).

1. Numerosity

Numerosity is satisfied when a potential Class is so numerous that joinder of all members is impracticable. *Watson v. Shell Oil Co.*, 979 F.2d 1014, 1022 (5th Cir. 1992). Because a reasonable estimate of the number of purported members satisfies the numerosity requirement, a precise numeration is not required. *Henry v. Cash Today, Inc.*, 199 F.R.D. 566, 569 (S.D. Tex. 2000) (Harmon, J.). In the Fifth Circuit, "the prerequisite expressed in Rule 23(a)(1) is generally assumed to have been met in class action suits involving nationally traded securities." *Zeidman v. J. Ray McDermott & Co., Inc.*, 651 F.2d 1030, 1039 (5th Cir. 1981).

The Class consists of those who purchased Halliburton's publicly traded securities during the Class Period. At the start of the Class Period, Halliburton had approximately

440.6 million shares outstanding, with members of the Class scattered throughout the United States. *See* Report ¶ 22. While the exact number of class members is presently unknown, and can be ascertained only through discovery, based on the Company's reported shares outstanding and trading volume during the Class Period, Lead Plaintiff estimates there are tens, if not hundreds of thousands of class members nationwide.

2. Commonality

To satisfy the commonality requirement, Lead Plaintiff must show that there are questions of law or fact common to the class. The "commonality" requirement is satisfied "when there is at least one issue, the resolution of which will affect all or a significant number of the putative class members." *Lightbourn v. County of El Paso,* 118 F.3d 421, 426 (5th Cir. 1997). Rule 23(a)(2) does not require perfect harmony throughout the class and the presence of some factual variations among class members' experiences will not defeat class certification. *In re Reliant,* 2005 U.S. Dist. LEXIS 9716, at *20. That some plaintiffs have different claims or claims that require some individualized analysis does not defeat commonality. *James v. City of Dallas,* 254 F.3d. 551, 570 (5th Cir. 2001).

This proposed Class satisfies the "commonality" requirement. At least the following issues of law and fact are common to the proposed Class Representatives and the Class:

(i) whether Defendants violated federal securities laws;

(ii) whether Defendants' undisclosed schemes, false statements and omissions of material facts misrepresented the business, financial and operational results and future performance of the Company;

(iii) whether Defendants acted willfully, knowingly, or recklessly in concealing their schemes and misrepresenting and omitting material facts;

(iv) whether the market price of the Company's common stock was artificially inflated during the Class Period due to Defendants' schemes, material misrepresentations, deceptions and nondisclosures; and

(v) whether class members sustained economic loss causally connected to Defendants' misconduct, and if so, the proper measure of such damages.

In addition, all Class members were damaged by Defendants' "standardized conduct" during the Class Period. *Keele v. Wexler,* 149 F.3d 589, 594 (7th Cir. 1998). Defendants' fraudulent accounting schemes, and false and misleading statements and omissions to the market inflated the Company's stock price and injured class members in a uniform manner. ¶¶ 18-126. The proposed Class Representatives, like all members of the Class, purchased Halliburton shares based on the integrity of the market when defendants' misconduct inflated Halliburton's stock price. This common nucleus of facts

and law unite all class members, irrespective of when and how many shares they purchased. Nothing more is required to show commonality under Rule 23(a)(2). *In re Reliant*, 2005 U.S. Dist. LEXIS 9716, at *20.

3. Typicality

"The test for typicality, like the test for commonality, is not demanding." *Lightbourn*, 118 F.3d at 426. "The court focuses on the legal and remedial theories of the named plaintiffs and the class members they seek to represent." *Henry*, 199 F.R.D. at 569. Typicality does not require that all claims must be identical. *Phillips v. Joint Legislative Comm. on Performance & Expenditure Review*, 637 F.2d 1014, 1024 (5th Cir. 1981). "The proper inquiry is whether other members of the class have the same or similar injury, whether the action is based on conduct not special or unique to the named plaintiffs, and whether other class members have been injured by the same course of conduct." *Longden v. Sunderman*, 123 F.R.D. 547, 556 (N.D. Tex. 1988).

The claims of the proposed Class Representatives are typical of those of the class members. Defendants' common schemes and "standardized" course of wrongful conduct caused damage to class members who purchased shares at artificially inflated prices during the Class Period. The proposed Class Representatives, like all other class members, suffered economic losses from their transactions in Halliburton's stock when the artificial inflation was removed from the stock price through, *inter alia*, partial disclosures of adverse facts concerning the true financial state of the Company. ¶ 3. Simply put, the

proposed Class Representatives' claims are typical under Rule 23(a)(3) because "the claims of named and unnamed plaintiffs have a common source and rest upon the same legal and remedial theories." *In re Reliant*, 2005 U.S. Dist. LEXIS 9716, at *22 (*citing Lehocky*, 220 F.R.D. at 500).

4. **Adequacy**

"The Court must find that class representatives, their counsel, and the relationship between the two are adequate to protect the interests of absent class members." *Unger v. Amedisys Inc.*, 401 F.3d 316, 321 (5th Cir. 2005). The adequacy requirement has three elements: (1) the chosen Class Representative cannot have antagonistic or conflicting claims with other members of the class; (2) the named representative must have sufficient interest in the outcome to ensure vigorous advocacy; and (3) designated counsel must be competent, experienced, qualified, and generally able to conduct the proposed litigation vigorously. *Berger v. Compaq Computer Corp.*, 257 F.3d at 479-80. The proposed Class Representatives satisfy the "adequacy" requirements of Rule 23(a)(4).

There are no conflicts of interest between the proposed Class Representatives and the other members of the Class. The proposed Class Representatives will have to prove the same legal theory and standardized conduct as the absent class members to establish Defendants' liability. Further, there are no defenses unique to the proposed Class Representatives. Differences between the Class Representatives and the class members do not defeat adequacy unless these differences create conflicts

between the representatives and the class members. *James v. City of Dallas*, 254 F.3d 551, 570 (5th Cir. 2001). Here there is no such conflict.

An adequate representative must be willing to take an active role in and exercise ultimate control of the litigation in order to protect the interests of the absent class members. *Berger v Compaq Comp. Corp.*, 257 F.3d at 479. The proposed Class Representatives have demonstrated their interest and vigor by actively prosecuting this case. When the initial lead counsel proposed an inadequate settlement, the proposed Class Representatives joined in objecting to, and ultimately defeating, the settlement. Mr. Murphey has continued to monitor the case through consultation with Special Counsel Neil Rothstein.

Finally, the proposed Class Representatives have retained attorneys with considerable experience in complex litigation and securities class actions. The proposed Class is represented by Boies, Schiller & Flexner LLP, whose attorneys have been appointed as Class Counsel in numerous class actions, including securities class actions.[5] The firm resume of Boies, Schiller & Flexner LLP evidences its ability to vigorously prosecute this action with the guidance and assistance of the proposed Class Representatives. *See App.* at 558 - 586.

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5. On February 23, 2007, this Court approved Lead Plaintiff's selection of Boies, Schiller & Flexner LLP ("Boies Schiller") as Lead Counsel.

C. This Action Satisfies Rule 23(b)(3)

In addition to satisfying the requirements of Rule 23(a), the proposed Class Representatives must also meet the requirements of Rule 23(b)(2) or (3). Lead Plaintiff seeks certification under Rule 23(b)(3), which states that an action may be maintained as a class action if:

> [T]he court finds that the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

Id. The proposed Class satisfies both the predominance and superiority requirements.

1. Common Questions of Law or Fact Predominate

To satisfy the predominance requirement, Lead Plaintiff must establish that issues that are subject to generalized proof, and thus applicable to the Class as a whole, predominate over issues that are subject only to individualized proof. *See Alison v. Citgo Petroleum Corp.*, 151 F.3d 402, 419-420, 425 (5th Cir. 1998). Rule 23(b)(3)'s predominance requirement is "more stringent" than the commonality requirement of Rule 23(a) but, in analyzing predominance, courts generally focus on liability, therefore "predominance is a test readily met in certain cases alleging consumer or securities fraud or antitrust violations." *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 625 (1997).

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Common issues, including those identified in section B.2. above, predominate in this action. Defendants' liability arises from their fraudulent accounting schemes and dissemination of materially false and misleading statements and omissions during the Class Period. *See In re Bank One Sec. Litig.*, No. 00 CV 0767, 2002 U.S. Dist. LEXIS 8709, at *22 (N.D. Ill. May 9, 2002) ("The issues of law and fact that flow from Defendants' alleged misstatements and omissions predominate over any individual issue."). Each member of the Class purchased Halliburton stock at prices artificially inflated as a result of Defendants dissemination of false and misleading statements and, because the same set of operative facts and the same issues of proximate cause apply to each class member, common questions of law and fact predominate and a class action is appropriate. *Durrett v. John Deere Co.*, 150 F.R.D. 555, 560 (N.D. Tex. 1993). Indeed, the only possible individual issues in this case are reliance and damages, the latter of which courts uniformly hold, absent a conflict that is imminent and "at the very heart of the suit", will not defeat class certification in securities cases. *Kalodner v. Michaels Stores, Inc.*, 172 F.R. D. 200 (N.D. Tex. 2007) (internal citations omitted).

2. The Issue of Reliance Will Not Defeat Certification

Lead Plaintiff relies on the fraud-on-the-market theory recognized in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988) for of a class-wide presumption of reliance. The fraud-on-the-market presumption provides that:

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> An investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price. Because most publicly available information is reflected in market price, an investor's reliance on any public material misrepresentations, therefore, may be presumed for purposes of a Rule 10b-5 action.

Id. at 247.

Under the Fifth Circuit's recent interpretation of *Basic*, in order to avail upon the fraud-on-the-market presumption, plaintiffs must show that Halliburton stock traded on an efficient market and that the corrective disclosure affected the stock price. *Oscar Private Equity Investments v. Allegiance*, 487 F.3d 261. The *Allegiance* court made clear however, that plaintiffs need not quantify damages, or prove that some percentage of the drop was attributable to the corrective disclosure, but need only offer some empirically based showing that "the corrective disclosure was more than just present on the scene." *Id.* at 271. Once the proposed Class establishes entitlement to the fraud-on-the-market presumption of reliance, Defendants can rebut that presumption only "by showing that the nondisclosures did not" affect the Halliburton's stock price. *Fine v Am. Solar King Corp.*, 919 F.2d 290, 299 (5th Cir. 1990).

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a. Halliburton's Common Stock Traded in an Efficient Market

The court in *Unger v Amedisys*, 401 F.3d 316 (5th Cir. 2005), expanding upon the five factors recognized by *Cammer v. Bloom*, 711 F. Supp. 1276 (D.N.J. 1989), identified eight factors for determining market efficiency: (1) average weekly trading volume expressed as a percentage of total outstanding shares; (2) number of securities analysts following and reporting on the stock; (3) extent to which market makers and arbitrageurs trade in the stock; (4) Company's eligibility to file SEC registration Form S-3 (as opposed to Form S- or S-2); (5) existence of empirical facts "showing a cause and effect relationship between unexpected corporate events or financial releases and an immediate response in the stock price;" (6) Company's market capitalization; (7) bid-ask spread for stock sales; and (8) float, the stock's trading volume without counting insider-owned stock. *See also, Bell*, 422 F.3d at 313. Under each of these factors it is clear that the market for Halliburton stock was efficient. Report, ¶¶ 9-24.

Factor 1: Trading Volume

Halliburton's stock traded at an average weekly volume of over 16,796,502 shares during the Class Period. Report, ¶ 22. Weekly trading volume for Halliburton was on average, 3.8% of the outstanding shares, significantly more than the 2% volume courts have found sufficient to raise a "strong presumption" of market efficiency for stocks traded on the NASDAQ, and more than the 1% volume courts have deemed sufficient for stocks traded on the NYSE. Report, ¶ 21, fn.16.

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Factor 2: Analyst Coverage

Securities analysts from several firms covered and reported on Halliburton during the Class Period.[6] Such expansive analyst coverage is an indicator of market efficiency. Report, ¶ 27.

Factor 3: Opportunity for Arbitrage

For stocks traded on the NYSE, the function of market makers – that is, to ensure the competitive, orderly and efficient market for securities, is performed by a single specialist. Report, ¶ 28. Specialists achieve this function by performing four critical roles: (1) as an auctioneer, continually showing the best bids and offers, and maintaining order in the crowd; (2) as an agent for SuperDot orders (direct electronic routing system to and from the trading floor) as well as for brokers; (3) as a catalyst for order flow by informing interested parties of items available in the market; and (4) as a principal, where the specialist has an obligation to enter into a transaction

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6. Halliburton was covered by at least ABN Amro Bank N.V. U.S.A; A.G. Edwards & Sons, Inc.; Argus Research Corporation; Bear, Stearns & Co., Inc.; Brown Brothers Harriman & Co.; Capital One Southcoast, Inc; CIBC World Markets Corp.; Deutsche Bank Securities Inc.; ING Financial Markets USA; Jefferies & Company, Inc.; Johnson, Rice & Co.; Painewebber Inc.; PNC Institutional Investment Service; Prudential Equity Group, Inc.; RBC Capital Markets; Sanford C. Bernstein & Co., Inc.; Smith Barney Citigroup; Southwest Securities; Stephens Inc.; SunTrust Robinson Humphrey Capital Markets; UBS (US); and Wachovia Securities.

using its own capital if there is a willing buyer or seller with no counterparty in the marketplace. Specialists thus facilitate continuous trading during market hours. Report, ¶ 29. As with the market makers, the role of the specialist assures the existence of arbitrage opportunities. Report, ¶ 31. As evidenced by the level of short interest, the short-selling of Halliburton's stock was not constrained during the Class Period, and arbitrage opportunities could be exploited, which is evidence in support of market efficiency. Report, ¶¶ 32-37.

Factor 4: Form S-3 Eligibility

The Company was eligible to file an SEC registration Form S-3 during the Class Period. Indeed, Halliburton filed an amended Form S-3 before the Class Period, on September 25, 1998, and during the Class Period, filed a Form S-3 on December 3, 2001. Thus, this factor supports a finding of market efficiency. Report, ¶¶ 38-39.

Factor 5: Cause and Effect Relationship

The cause and effect relationship between unexpected information released to the market and movement of the stock price is the essence of an efficient market and the foundation for the fraud-on-the-market theory. *In re Xcelera.com Sec. Litig.*, 430 F.3d 503, 508 (1st Cir. 2005) (stating that the cause and effect relationship between pricing and new information is implicit in an efficient market). The movement of Halliburton's stock price during the Class Period when unexpected news was disseminated shows that Halliburton's stock traded in an efficient market. Report, ¶¶ 40-46.

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Factor 6: Market Capitalization

During the Class Period, the market capitalization for Halliburton stock ranged from $5.1 billion, on the last day of the Class Period, to a Class Period high of $24 billion. Report, ¶ 47. Even at the lower end of this range, Halliburton's market capitalization supports a finding that the market for Halliburton stock was efficient. Report, ¶ 48.

Factor 7: Bid/Ask Spread

Bid/ask spreads are a measure of transaction costs; low transactions costs indicate that arbitrage opportunities can be exploited readily. Report, ¶ 49. During the Class Period, the average bid/ask spread as a percentage of the mean bid/ask price for Halliburton was 0.22%; the average for Halliburton's competitors was 0.36%. Such a low bid/ask spread indicates that arbitrage opportunities could be exploited, which is evidence of market efficiency. Report, ¶ 50.

Factor 8: Public Float

Courts have held that a large float percentage (percentage of shares held by the public) can be an indicator of market efficiency. *Unger*, 401 F.3d at 323; *Bell*, 422 F.3d 307 and 313, n.10. During the Class Period, there were between 429.0 million and 445.5 million shares of Halliburton stock outstanding, of which approximately 99% were held by the public. This large public float indicates an efficient market. Report, ¶ 51.

Each of the *Unger* factors supports the conclusion that Halliburton stock traded in an efficient market. In addition, Halliburton's listing on a national exchange; the presence of sophisticated investors; and, the coverage of Halliburton by wire services, financial press, and general media also support a finding of market efficiency. Report, ¶¶ 52-64.

b. Loss Causation

The Fifth Circuit, in *Oscar Private Equity Investment v. Allegiance*, recently held that to avail itself of the benefits of the fraud-on-the-market presumption of reliance at the class certification stage, the Lead Plaintiff must show loss causation. *Id.* at 269. More specifically, the *Allegiance* court found that, where there are multiple negatives, not all of which are alleged to be culpable, the Lead Plaintiff has the burden of showing that it was the culpable statement(s) that caused a significant amount of the decline in the stock price:

> when unrelated negative statements are announced contemporaneous of a corrective disclosure, the plaintiff must prove " that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline.

Id. at 270. In clarifying this burden, *Allegiance* affirmed that, at this stage, the Lead Plaintiff need not quantify damages:

> While counsel is correct that *quantification* of damages is presently unnecessary--*i.e.* proof that some percentage of the drop was attributable to the corrective disclosure--the plaintiffs must, in order to establish loss causation at this stage, offer some empirically-based showing that the corrective disclosure was more than just present at the scene.

Id. at 271. (Emphasis original).

In addressing the dissent's concerns that *Allegiance* does not provide adequate guidance as to "what form such proof might take[]", the court reiterated that such proof could come in the form of an events study and leaves open the possibility of other "options, subject to scrutiny in the first instance by opposing experts and the district courts." *Id.* at 265, n.22. *Allegiance* further suggests that such an event study could be based on "public data and public filings." *Id.* at 267. *Allegiance* confirms that analysts' opinions may be evidence of the cause of a stock decline, but will not be sufficient to carry Lead Plaintiff's burden "without reference to any post-mortem data they have reviewed or conducted." *Id.* at 271. In some circumstances, it is sufficiently evident that the stock was driven down by the culpable disclosure that no empirical analysis is necessary to disaggregate the effect of the culpable and the non-culpable disclosures. *See Greenberg v. Crossroads Systems, Inc.*, 364 F.3d 657 (5th Cir. 2004) (disclosure that revenue would be 66% below estimates sufficient to establish loss causation notwithstanding simultaneous release of non-culpable news).

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Lead Plaintiff here has satisfied the *Allegiance* burden through the submission of the Nettesheim expert report. In preparation of the Report, Nettesheim reviewed all publicly available, relevant information for the Class Period, and determined that there were 24 instances of statistically significant declines in the company-specific return on Halliburton stock during the Class Period. Of those instances, eleven days corresponded to the release of culpable news, and only one of those days, January 5, 2000, involved multiple pieces of news, some culpable and some not.

As discussed in the Nettesheim Report, there are six instances (October 5, 1999, June 29, 2001, August 9, 2001, October 31, 2001, December 4, 2001 and December 7, 2001) in which there was but one piece of news that caused a statistically significant decline in the company-specific return on Halliburton stock during the Class Period. Report, ¶¶ 84, 115, 119, 125. As explained in the Report, the company-specific return nets out the change in the price attributable to changes in the relevant index and the market as a whole. Report, ¶ 81. As there is no other news or information that can explain the company-specific stock price decline on these days, as Nettesheim concluded, the decline in the price of Halliburton stock could only have been caused by the partial disclosure of the single piece of culpable news, and as to these instances, Lead Plaintiff has satisfied its burden of establishing loss causation. Report, ¶ 87, 118, 121, 133. *See Allegiance*, 487 F.3d. at 267 (a greater showing of loss causation is warranted in the instance of simultaneous disclosure of multiple pieces of negative news).

In addition, there are two instances (October 25, 2000 and December 22, 2000) in which there is more than one negative piece of news, all alleged to be culpable. Report, ¶¶ 93, 106. It is Lead Plaintiff's burden to attribute the cause of a decline among culpable and non-culpable negative statements. *Allegiance* does not require a Lead Plaintiff to attribute the cause of a decline among multiple culpable negative statements. *See Allegiance*, 487 F.3d at 265 ("we address here only the simultaneous disclosure of multiple negatives, not all of which are alleged culpable."). Accordingly, even without more, Lead Plaintiff has carried its burden of showing loss causation as to these instances.

And even though doing so is not required by *Allegiance*, Nettesheim has opined on the significance of each piece of news associated with this statistically significant decline in the price of Halliburton stock for these instances, utilizing the event study, and an empirical analysis of all of the information surrounding the news, including the analyst reports and the information utilized by those analysts. For example, after the market closed on Thursday, December 21, 2000, Halliburton pre-announced fourth-quarter earnings, formally unveiling the restructuring of its engineering and construction units and stated that it planned to take a charge of $120 million in the fourth quarter. Report ¶ 106. Of the $120 million special charge, $95 million (or 79%) was related directly to the cost overruns alleged by Lead Plaintiff, with the remaining $25 million related to the restructuring necessitated by the ongoing problems with the Dresser integration. Both of these "negatives" are culpable under the allegations of the FCAC.

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This disclosure, and the analyst reports that disseminated the information, caused a statistically significant decline in Halliburton's share price. On December 22, 2000, Halliburton's stock price declined 2.7%, to close at $36.00. The company-specific return that day was negative 3.9%. Although the industry was down that day, the overall market was up more than 3.0%. While not required under *Allegiance,* Nettsheim opines that the significant cause of this decline was due to the "surprise" charge of $95 million to cover cost over runs. Report ¶¶ 106-111.

Finally, there is one instance (January 5, 2000), in which there is a mix of culpable and non-culpable negatives on a day in which there was a statistically significant decline in the company-specific return on Halliburton stock. Report ¶ 88. For this day, Nettesheim performed a rigorous empirical analysis whereby she 1) used econometric analysis to determine how much of the day's stock return is attributed to company-specific news and events, and how much of the day's stock return can be attributed to market and industry news and events; (2) examined all of the news surrounding the day on which the alleged disclosure was made to determine what the company said and what market participants said; 3) reviewed all of the analyst reports surrounding the day on which the alleged disclosure was made to determine how the company's statements or communications impacted market participants' assessments of the company's value; 4) conducted an empirical analysis of the information on and surrounding the disclosure date to determine what specific news items were important on the day of the

alleged disclosure; and 5) conducted an empirical analysis to determine the relative importance of different pieces of news with respect to impact on stock valuation.

On January 5, 2000, Halliburton's stock price declined 4.38%, from $38.50 to $36.81. The company-specific return that day was negative 4.3%. Report ¶ 88. Nettesheim opines that a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger. Report ¶ 92.

3. The Class Action is Superior to Other Available Methods For the Fair and Efficient Adjudication of This Action

The matters pertinent to finding superiority include: (1) the interest of members of the class in individually controlling the prosecution or defense of separate actions; (2) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; (3) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and (4) the difficulties likely to be encountered in the management of a class action. Fed. R. Civ. Pro. 23(b)(3). Applying each of these four factors shows that class certification in this case is both useful and necessary.

First, with the possible exception of the Laborers National Pension Fund, Plumbers and Pipefitters National Pension Fund, and City of Dearborn Heights Act 345 Police & Fire Retirement System, who sought to be

appointed as Lead Plaintiffs, there has been no indication that any other Class Members would prefer to try his or her own case. Second, other than the consolidated cases, there are no known cases concerning this controversy. Third, it "is desirable that securities fraud cases involving a large number of plaintiffs with small individual claims proceed as class actions." *Keasler v. Natural Gas Pipeline Co.*, 84 F.R.D. 364, 368 (E.D. Tex. 1979); *Longden*, 123 F.R.D. at 551. Finally, Lead Counsel knows of no exceptional difficulties regarding trying this case as a class action. There will be no difficulties in managing the class because liability will be determined by common evidence and misstatements and omissions, and loss causation will be determined through common effect of disclosures on the stock price.

In such circumstances, class representation is the only way to afford relief to those plaintiffs whose claims are too small to permit them to bring individual suits, and is superior to other available methods for the fair and efficient adjudication of this controversy *Henry*, 199 F.R.D. at 573; *see also Levitan v. McCoy*, No. 00 C 5096, 2003 U.S. Dist. LEXIS 5078, at *6 (N.D. Ill. Mar. 28, 2003) ("securities fraud cases are uniquely situated to class action treatment since the claims of individual investors are often too small to merit separate lawsuits.").

Appendix B

CONCLUSION

For the reasons set forth herein, an Order should be entered (i) certifying this action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure; (ii) appointing AMS Fund and Ben Alan Murphey as Class Representatives; and (iii) appointing Lead Counsel, Boies, Schiller & Flexner LLP as Class Counsel.

Respectfully submitted,

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Appendix B

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Appendix B

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

Master Docket No. 3:02-CV-1152-M

CLASS ACTION

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf of itself and All Others Similarly Situated,

Lead Plaintiff,

vs.

HALLIBURTON COMPANY, et al.,

Defendants.

This Document Relates to: ALL ACTIONS.

APPENDIX IN SUPPORT OF LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION AND INCORPORATED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

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UNITED STATES DISTRICT COURT
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This Document Relates To: ALL ACTIONS.

REPORT OF JANE D. NETTESHEIM
September 17, 2007

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I, JANE D. NETTESHEIM, declare:

I. Background and Qualifications

1. I am a financial economist and vice president of Stanford Consulting Group, Inc. ("SCG"), which

provides research, consulting, and expert services in financial economics and related areas to clients, including government agencies, corporations, and law firms. I have a B.A. in biology from the University of Colorado and an M.B.A. from the University of Hawaii, and I completed the coursework in the Ph.D. program in finance at the London Business School, University of London. My curriculum vitae and the list of the expert testimony I have provided by deposition or at trial are attached as Exhibit 1. The fees charged for this project are the standard hourly rates of employees of SCG. My current hourly rate is $475.

2. I have served as a consultant and expert in the areas of market efficiency, materiality, loss causation and the calculation of damages in many securities class actions. I have examined the relationship between stock price movements and changes in market and industry indices for a number of stocks in a variety of industries. I also have examined the relationship between information releases and changes in stock prices for a number of companies in a variety of industries. I have analyzed various data sources for information about shareholdings and trading activity for different types of market participants.

II. Scope of Engagement

3. Counsel for Lead Plaintiff has asked me to examine and opine on the efficiency of the market for the common stock of Halliburton Company, Inc. ("Halliburton" or the "Company")[1] during the period June 3, 1999, through

1. Herein, "Halliburton's stock" refers to the common stock of Halliburton .

December 7, 2001, inclusive (the "Class Period").[2] I have also been asked to conduct an analysis of materiality and loss causation pertaining to the alleged misrepresentations and omissions in this matter, and to address the causes of the decline in Halliburton's stock price during the Class Period.[3]

4. The opinions offered in this Report are subject to refinement or revision based on continuing analysis of the documents and materials listed below, as well as new or additional information which may be provided to or obtained by me in the course of this matter. I expect to review additional information and documents, including information and documents that may become available through discovery and the reports and depositions of other expert witnesses.

III. Bases for Opinions

5. My opinions expressed in this Report are based upon my professional knowledge and experience, as well as on a review of documents and information relevant to this matter. Exhibit 2 lists the materials I have obtained from Counsel or other identified sources. The materials I have relied upon in forming my opinions in this Report are identified in this Report and its Exhibits. Such

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2. During the Class Period, Halliburton's common stock traded on the New York Stock Exchange ("NYSE") under the ticker "HAL."

3. Because discovery is just beginning in this action, this analysis is preliminary and based on the public information available to me at this time. I assume that the allegations outlined in the Complaint are true.

documents and information are typically relied upon by financial experts in securities class actions or by financial economists in their research. I reserve the right to modify or supplement my opinions expressed herein in the event that further information becomes available to me.

IV. Summary of Opinions

6. Based on my review of the evidence in this matter and analysis of data specific to Halliburton and its stock, I conclude that the market for Halliburton's stock during the Class Period was open, developed, and efficient.

7. Based on my review of the evidence in this matter and analysis of data and information specific to Halliburton during the Class Period, I conclude that:

- A significant part of the decline in Halliburton's stock price during the Class Period was caused by disclosures that Halliburton's exposure to liability in asbestos litigation was far larger than previously revealed to the public. Had Halliburton disclosed reasonable estimates of its asbestos exposure—that Lead Plaintiff alleges could have been and should have been disclosed earlier—Halliburton's stock price would have traded at prices materially lower than prices at which it did trade during the Class Period.

- A significant part of the decline in Halliburton's stock price during the Class Period was caused by disclosures related to Halliburton's representations and omissions concerning the condition and success of its engineering and construction operations

related to large overseas fixed-price/lump sum contracts and the benefits resulting from its merger with Dresser Industries, Inc. ("Dresser"). Had Halliburton 1) not included unapproved claims in its reported revenues for certain quarters in 1998, 1999 and 2000—that Lead Plaintiff alleges Halliburton should not have included during the Class Period; and 2) disclosed that it was not going to realize the benefits it had originally anticipated from the Dresser merger—that Lead Plaintiff alleges could have and should have been disclosed earlier—Halliburton's operating income would have been lower for certain quarters and for the years 1998, 1999 and 2000, and Halliburton's stock price would have traded at prices materially lower than prices at which it did trade during the Class Period.

8. The misrepresentations and omissions alleged by Lead Plaintiff caused Halliburton's stock price to be inflated during the Class Period as evidenced by the partial disclosures during the Class Period. Those disclosures revealed information about Halliburton's financial condition, which Lead Plaintiff alleges was previously misrepresented and/or omitted by Defendants, that caused the prices of Halliburton's stock to decline.

V. Market Efficiency: Securities prices in efficient markets reflect the market's consensus as to fair value given all publicly available information at the time of purchase or sale

9. Over the past thirty years, the efficient capital market hypothesis ("ECMH") has risen to a prominent

position in financial and economic theory. In its most commonly held form—known as "semi-strong"—the ECMH states that the securities markets incorporate all publicly available information. This hypothesis has been empirically validated in numerous studies.[4] The ECMH also has stood up against its critics; while anomalies have occurred in financial markets, they are random and do not allow for trading strategies that would create abnormal profits.[5,6]

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4. *See, e.g.*, Eugene F. Fama, "Efficient Capital Markets: A Review of Theory and Empirical Work," *Journal of Finance;* Volume 25, Issue 2; May, 1970; pp. 383-417. In this article, Fama provides an overview of a number of studies supporting the efficiency of capital markets.

5. Fama, Eugene F., "Market Efficiency, Long-term Returns, and Behavioral Finance," *Journal of Financial Economics* Vol. 49, 283-306 (1998). As Fama states: "Consistent with the market efficiency hypothesis that the anomalies are chance results, apparent overreaction to information is about as common as underreaction, and post-event continuation of pre-event abnormal returns is about as frequent as post-event reversal. Most important, consistent with the market efficiency prediction that apparent anomalies can be due to methodology, most long-term return anomalies tend to disappear with reasonable changes in technique."

6. Malkiel, Burton G., "The Efficient Market Hypothesis and Its Critics," *Journal of Economic Perspectives* Vol. 17, 59-82 (Winter 2003). Malkiel writes "Before the fact, there is no way in which investors can reliably exploit any anomalies or patterns that might exist. ... [T]hese patterns are not robust and dependable in different sample periods, and some of the patterns based on fundamental valuation measures of individual stocks may simply reflect better proxies for measuring risk .... Many of the predictable patterns that have been discovered may simply

10. The fraud-on-the-market theory relies on informational efficiency, specifically that the price of the security reflects publicly available information. For defendants' statements to have impacted stock prices, the market must be informationally efficient. Informational efficiency also has been cited recently by Courts as an appropriate measure of market efficiency in certain securities cases.[7]

11. In an efficient market, investors can rely on the market price as reflecting all publicly available information. In other words, the price at which an investor can buy or sell a security is the market's consensus as to that security's fair value given all of the publicly available information at the time of purchase or sale.

12. The seminal Rule 10b-5 case of the 1980's, *Basic Inc. v. Levinson*, clarified that because most

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be the result of data mining." He further quotes Richard Roll, an eminent academic financial economist and portfolio manager, "I have personally tried to invest money, my client's money and my own, in every single anomaly and predictive device that academics have dreamed up .... I have attempted to exploit the so-called year-end anomalies and a whole variety of strategies supposedly documented by academic research. And I have yet to make a nickel on any of these supposed market inefficiencies'" a true market inefficiency ought to be an exploitable opportunity. If there's nothing investors can exploit in a systematic way, time in and time out, then it's very hard to say that information is not being properly incorporated into stock prices."

7. *See In re PolyMedica Corp. Securities Litigation*, No. 05-1220, slip op. (1st Cir. Dec. 13, 2005); *See also In re Xcelera.com Securities Litigation*, No. 05-1221, slip op. (1st Cir. Dec. 13, 2005)

publicly available information is reflected in the market price, an investor's reliance on any public material misrepresentations may be presumed for purposes of a Rule 10b-5 action.

> The fraud on the market theory is based on the hypothesis that, in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business. ...
>
> Misleading statements will therefore defraud purchasers of stock even if the purchasers do not directly rely on the misstatements. ... The causal connection between the defendants' fraud and the plaintiffs' purchase of stock in such a case is no less significant than in a case of direct reliance on misrepresentations.[8]

13. The fraud-on-the-market theory permits investors in an efficient market to rely on the market price, even though that price may contain the effects of misrepresentations or omissions. The *Basic* court noted:

> In an open and developed market, the dissemination of material misrepresentations or withholding of material information typically affects the price of the stock, and purchasers

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8. *Basic Inc. v. Levinson,* 485 U.S. 224 p. 241-242 (1988). Quoting *Peil v. Speiser,* 806 F.2d 1154, 1160-61 (3d Cir. 1986).

generally rely on the price of the stock as a reflection of its value.[9]

14. A direct empirical test of market efficiency is to examine price responsiveness to the release of new and material information. If the security price responds quickly, the response supports a conclusion that the market for the security is efficient. As an indirect test of efficiency, one can examine whether market conditions promote efficiency. Case precedent exists on such indirect indicators of market efficiency. The *Cammer* Court found that for the market for a particular security to be efficient, the following two criteria should be met:[10]

- it should trade in an open market in which anyone, or at least a large number of persons, can buy or sell;

- it should trade in a developed market which has a relatively high level of activity and frequency, and for which trading information *(e.g.,* price and volume) is widely available. It usually, but not necessarily, has continuity and liquidity (the ability to absorb a reasonable amount of trading with relatively small price changes).

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9. *Basic Inc. v. Levinson,* 485 U.S. 224 at 244 (1988). Quoting *Peil v. Speiser,* 806 F.2d 1154, 1161 (3d Cir. 1986).

10. *Cammer v. Bloom,* 711 F. Supp. 1264, 1276 n. 17 (D.N.J. 1989): "Definitions of the key terms which underlie the fraud on the market theory were offered by commentators Bromberg & Lowenfels, 4 *Securities Fraud and Commodities Fraud,* §8.6 (Aug.1988)."

15. Specifically, the *Cammer* Court identified five factors that may be considered in determining whether a market for a stock is efficient and, therefore, whether security prices respond quickly to new relevant information. These factors include both a direct empirical test, as well as indirect indicators, of the efficiency of a market for a security. The *Unger* Court and the *Bell* Court also considered these five factors in evaluating market efficiency.[11] In forming my opinion, I have considered each of the five *Cammer/Unger/Bell* Factors as applied to the market for Halliburton stock:[12]

i. whether the security trades at a large weekly volume;

ii. whether analysts follow and report on the security;

iii. whether the security has market makers and whether there is a potential for arbitrage activity;

iv. whether the company is eligible to file Securities and Exchange Commission ("SEC") Form S-3; and

v. whether there are empirical facts showing a cause-and-effect relationship between unexpected corporate events or financial information releases, and an immediate response in the security's price.

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11. *Unger v. Amedisys, Inc.*, 401 F.3d 316, 321 (5th Cir. 2005); *Bell v. Ascendant Solutions, Inc.*, 422 F.3d 307, 311 (5th Cir.2005).

12. *Cammer*, 711 F. Supp. pp. 1285-87.

16. The *Cammer/Unger/Bell* factors address informational efficiency, *i.e.*, whether the market conditions exist such that when material, new, unexpected information is released, the price of the company's security changes to reflect the new mix of public information.

17. I also have considered additional factors that were considered by the *Unger* and *Bell* Courts (as well as the *Krogman* Court) in evaluating market efficiency:[13]

vi. the Company's market capitalization;

vii. the bid/ask spread for stock sales; and

viii. the security's float, or shares outstanding excluding insider-owned stock.

18. In addition to the factors discussed above, I have considered the following factors which have been addressed in the economic literature, and/or have been considered by Courts:

ix. the principal exchange on which the security was listed and traded;

x. institutional ownership of the security; and

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13. *Unger*, 401 F.3d 316 at 323, HN10, *Bell*, 422 F.3d 307 at 313, n10; *Krogman v. Sterritt* 202 F.R.D. 467 (N.D. Tex. 2001) pp. 474, 478; *See also, O'Neil v. Appel* 165 F.R.D. 479 (W.D. Michigan 1995) at 503.

xi. news coverage and dissemination of information by news sources pertaining to the Company and its securities during the Class Period.

19. Consideration of the *Cammer/Unger/Bell* factors (the first five factors discussed below), the *Unger/Bell* factors (factors six through eight discussed below), and these additional factors (factors nine through eleven discussed below) supports my conclusion that the market for Halliburton stock during the Class Period was informationally efficient.[14]

VI. Application of the *Cammer/Unger/Bell* Factors and Additional Factors as Indicia of the Efficiency of the Market for Halliburton's Stock

A. *Cammer/Unger/Bell* Factor 1: Weekly Trading Volume

20. A market is liquid if investors can trade a large number of shares on demand and, absent new information, an individual investor can buy and sell without affecting the price. The high level of trading activity associated with trading in Halliburton's stock during the Class Period indicates that Halliburton's stock traded in a liquid market. High trading volume generally indicates that there is sufficient interest in the company and its

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14. *See also, Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, --- F.3d ----, No. 05-10791, 2007 WL 1430225 (C.A.5 May 16, 2007), FN42. Here, Judge Higginbotham refers to the *Cammer/Unger/Bell* Factors and the *Unger/Bell* Factors as the usual indicia of market efficiency, citing *Bell*.

stock such that analysts will conduct research and report their analysis to market participants. Liquidity and high trading volume also allows investors to quickly buy and sell shares when their assessments about the value of a company's stock have changed.

21. According to one authority, "turnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for the security is an efficient one; 1% would justify a substantial presumption."[15, 16]

22. During the Class Period, the average weekly reported trading volume for Halliburton's stock was 16,796,502 shares. (See Exhibit 3 for the daily reported closing prices and volume of Halliburton's stock, and

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15. *Cammer* at 1293, citing Bromberg.

16. The *Cammer* Court examined a stock that traded on the NASDAQ; Halliburton common stock traded on the NYSE during the Class Period. On the NASDAQ, a dealer is on one side of every transaction. When an investor sells one share on the NASDAQ, it is sold to a dealer and a transaction of one share is reported; then another investor buys that same share from the same dealer, and it is reported as another transaction of one share. Only one share has changed hands between the two investors, but trading volume of two shares has been reported. All else being equal, the same share trade on the NYSE would be reported as trading volume of one share. The *Cammer* Court's benchmark of average weekly trading turnover applies to stocks trading on the NASDAQ. All else being equal, as a result of the "double-counting" on NASDAQ, a benchmark of average weekly trading turnover of 2% for a NASDAQ traded stock would be 1% for a NYSE traded stock.

Exhibit 4 for a summary of weekly trading of Halliburton's stock.) Halliburton's shares issued and outstanding totaled approximately 440.6 million shares at the start of the Class Period and approximately 429.4 million shares at the end of the Class Period. (See Exhibit 5 for data on shares outstanding for Halliburton.) Weekly trading volume for Halliburton was, on average, 3.8% of shares outstanding.

23. The annualized turnover ratio is the annual reported trading volume divided by the number of shares outstanding. Total trading volume of Halliburton's stock during the Class Period was 2.187 billion shares, compared to 429.4 million shares outstanding at the end of the Class Period. This is an annualized turnover ratio (share volume during the Class Period divided by shares outstanding divided by the time period in years) of 202.7%. In 1999, 2000 and 2001, the average annualized turnover ratio for NYSE listed stock was 78%, 88% and 94 %, respectively.[17]

24. Given the volume of trading relative to the number of shares outstanding, Halliburton's stock experienced high weekly trading volumes and annualized turnover ratio. Halliburton's high trading volume indicates that the market for Halliburton's stock was efficient during the Class Period.

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17. NYSE 2001 Fact Book.

Appendix B

B. *Cammer/Unger/Bell* Factor 2: The Number of Securities Analysts Following and Reporting on Halliburton

25. Securities analysts research and report to investors on the financial condition and prospects of a covered company. In conducting their research, analysts typically have greater resources available to them than do individual investors. Analysts are conduits to the market for information collected from management from on-site visits, conference calls accompanying key company announcements, and other contacts with senior management. Analysts can channel new information to the market rapidly through their published reports, online reporting services such as First Call, and alerts given to clients and other employees of the same investment firm. Analysts thus facilitate the dissemination of new information to investors and share price reaction to new information.

26. During the Class Period, securities analysts from numerous firms reported on Halliburton, including, for example: ABN Amro Bank N.V. U.S.A; A.G. Edwards & Sons, Inc.; Argus Research Corporation; Bear, Stearns & Co., Inc.; Brown Brothers Harriman & Co.; Capital One Southcoast, Inc; CIBC World Markets Corp.; Deutsche Bank Securities Inc.; ING Financial Markets USA; Jefferies & Company, Inc.; Johnson, Rice & Co.; Painewebber Inc.; PNC Institutional Investment Service; Prudential Equity Group, Inc.; RBC Capital Markets; Sanford C. Bernstein & Co., Inc.; Smith Barney Citigroup; Southwest Securities; Stephens Inc.; SunTrust Robinson

Humphrey Capital Markets; UBS (US); and Wachovia Securities. Exhibit 6 contains a list of analyst reports for Halliburton issued during the Class Period.[18]

27. The large number of analysts reporting on Halliburton and analysts' reports published about Halliburton during the Class Period supports my conclusion that there was an efficient market for Halliburton's stock during that time.

C. *Cammer/Unger/Bell* Factor 3: The Number of Market Makers in Halliburton's Stock

28. This third *Cammer/Unger/Bell* factor applies directly to stocks traded on the NASDAQ because that exchange uses market makers to facilitate market efficiency. The NYSE, where Halliburton stock was traded prior to and during the Class Period, uses specialists to facilitate an orderly and efficient market for each security. As there is but one specialist for NYSE listed stocks, rather than look at the number of market makers, I have examined the role of the specialist as well as arbitrage opportunities for Halliburton's stock. Market makers and specialists enable investors to trade promptly upon

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18. Exhibit 6 contains a list of 397 reports that are available from Thomson Research (www.investext.com) from a search of "Halliburton CO" in the "Company" field, and from Reuters from a search of "HAL" in the Primary Ticker (Exhibit 6 excludes duplicative reports between the two sources). This is only a partial list of analyst reports on Halliburton. Several firms, *e.g.*, Merrill Lynch and Goldman Sachs, do not make their analysts' reports available through public databases.

the arrival of new relevant information, and thereby new information can be rapidly reflected in securities prices.

29. The NYSE assigns one dealer, known as the specialist, to each security traded on the NYSE. These specialists are independent companies in corporate or partnership structures whose responsibilities require them to maintain a fair, competitive, orderly and efficient market for the securities assigned to them. Specialists achieve this function by performing four critical roles: (1) as an auctioneer, continually showing the best bids and offers, and maintaining order in the crowd; (2) as an agent for SuperDot orders (direct electronic routing system to and from the trading floor) as well as for brokers; (3) as a catalyst for order flow by informing interested parties of items available in the market; and (4) as a principal, where the specialist has an obligation to enter into a transaction using its own capital if there is a willing buyer or seller with no counterparty in the marketplace. Specialists thus facilitate continuous trading during market hours.[19]

30. Halliburton's reported specialist during the Class Period was LaBranche & Co. LLC ("LaBranche"). According to their website:

> [LaBranche] is one of the largest Specialists in equity securities listed on the New York and American Stock Exchanges. As a Specialist,

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19. The Fifth Circuit has certified a class of purchasers of common stock traded on the NYSE. *See, e.g., In Re Enron Corporation Securities § Derivative & "ERISA" Litigation,* Civil Action Number H-01-3624 Consolidated Cases.

> we play an integral role in both the NYSE and the AMEX floor-based trading auction model by acting as the exclusive broker *(i.e.,* agent) or market-maker *(i.e.,* principal) in our portfolio of listed company stocks and options. The Specialist facilitates all buying and selling of securities of the companies it represents by bringing timely information, critical expertise, and needed liquidity to the forefront of the auction market place.[20]

31. The third *Cammer/Unger/Bell* factor also addresses the existence of arbitrageurs, generally understood to be sophisticated investors who can act rapidly to take advantage of pricing discrepancies. Arbitrage has been defined as:

> ... the process of earning riskless profits by taking advantage of differential pricing for the same physical asset or security. As a widely applied investment tactic, arbitrage typically entails the sale of a security at a relatively high price and the simultaneous purchase of the same security (or its functional equivalent) at a relatively low price.
>
> Arbitrage activity is a critical element of modern, efficient security markets. Because arbitrage profits are by definition riskless, all investors have an incentive to take advantage

20. www.labranche.com/invrel.html

> of them whenever they are discovered. Granted, some investors have greater resources and inclination to engage in arbitrage than others. However, it takes relatively few of these active investors to exploit arbitrage situations and, by their buying and selling actions, eliminate these profit opportunities.[21]

32. Short interest may be an indicator of arbitrage activity as arbitrageurs act to take advantage of and thereby eliminate any mispricing which may exist by simultaneously buying and selling securities, and/or by borrowing and selling short. A short sale is the sale of a stock that an investor does not own. When an investor holds the belief that a stock price will decline, he can borrow the stock, sell the stock, and then buy the stock back later to return it to the lender. If the price drops between the time that short seller sold the stock and he buys it back, the short seller realizes a gain. Thus, short-selling can facilitate market efficiency by allowing borrowing and selling of stock when investors believe that the price could decline. I have examined the level of short interest in Halliburton's stock in order to determine if there were any impediments to short selling or arbitrage opportunities.

33. Throughout the Class Period, there were at least 429 million Halliburton shares outstanding, held by more than 800 institutions and many other investors who could

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21. Sharpe, William F., *et al., Investments,* (NJ: Prentice Hall) 1999, 6th ed., p. 284 .

have sold their shares of Halliburton. In addition, shares held by institutions are often available for borrowing by short sellers; thus the large number of institutional shareholders and their large shareholdings could facilitate market efficiency by permitting whatever short sales arbitrageurs wished to make.

34. During the Class Period there was substantial short interest in Halliburton and large changes in short interest. (See Exhibit 7.) However, the level of short interest is not large relative to Halliburton's shares outstanding. The average short interest in Halliburton's stock represented approximately 2.3% of total shares outstanding. The level of short interest during the Class Period indicates that shares should have been available to borrow for short-selling.

35. Economist Gene D'Avolio, while preparing his dissertation for his Ph.D. in Business Economics (awarded 2004) at Harvard University, summarized the market for short-selling in the United States by examining data from April 2000 to September 2001.[22] The specific data for Halliburton's stock, or any stock, are not available from this database; however, D'Avolio examined a very large sample of data over a period of time that includes part of the Class Period.

36. D'Avolio estimated that in the second quarter of 2001, as much as one-quarter of the U.S. market

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22. Gene D'Avolio, "The market for borrowing stock," *Journal of Financial Economics,* November 2002, vol. 66, pp. 271-306.

capitalization was available as loan supply for short-selling and that 7% of that capacity was utilized. In the database that he examined,[23] D'Avolio found that short interest was, on average, 2.3% of shares outstanding. During 2001, Halliburton's stock was the type of stock that in D'Avolio's database had excess supply available for borrowing for short-selling, *i.e.*, companies with large market capitalization and substantial institutional ownership. D'Avolio also found that common stock issued by large companies such as Halliburton had low implied loan fees, which indicated that short-selling was not restricted and that arbitrage opportunities could be exploited. The level of short interest in Halliburton's stock relative to the public float indicates that short-selling of Halliburton's stock was not constrained during the Class Period and that arbitrage opportunities could be exploited, which is evidence in support of market efficiency.

37. Trading in Halliburton stock on the NYSE during the Class Period, where the market in the stock was facilitated by a specialist, indicates that the market for Halliburton stock was efficient during the Class Period, as does the possibility of arbitrage activity via short sales.

D. *Cammer/Unger/Bell* Factor 4: Whether Halliburton was Eligible to File SEC Form S-3

38. Form S-3 is a simplified registration form that may be used if a company has been subject to Securities

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23. One of the largest security lenders in the world that accounts for significantly more than 10% of the total market short interest (and for many stocks the lender had sufficient supply to cover total short interest on its own) provided a proprietary database to D'Avolio.

Exchange Act of 1934 reporting requirements for more than one year, has filed all documents in a timely manner during the prior twelve months, and has not, since the last audited statements, failed to pay required dividends or sinking funds, nor defaulted on debts or material leases.[24] Thus, companies that have previously provided what the SEC deems to be sufficient public information may incorporate prior filings by reference into current filings, and need not repeat such information since it is already widely publicly available.

39. Halliburton filed amended Form S-3 prior to the Class Period on September 25, 1998. During the Class Period, Halliburton filed Form S-3 on December 3, 2001. That Halliburton was eligible to file Form S-3 with the SEC prior to and during the Class Period is another factor which supports my conclusion that the market for Halliburton's stock was efficient.

E. *Cammer/Unger/Bell* Factor 5: Empirical Facts Showing a Cause-and-Effect Relationship between Unexpected Corporate Events or Financial Releases and an Immediate Response in the Stock Price

40. According to the ECMH, securities prices in efficient markets incorporate all available public information. A direct test of market efficiency is to conduct an event study to identify dates on which material new information was released to the market, and to examine whether the stock price responded to that information.

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24. www.sec.gov/info/edgar/forms.htm

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It is important to note that material new information is new once, *i.e.*, once incorporated into the market mix of information with subsequent price reaction, successive announcements of the same information will have no additional effect on share price.

41. I performed an event study to examine the publicly available company-specific information contemporaneous with statistically significant common stock price returns[25]—in other words, to determine whether material news affecting Halliburton promptly caused a measurable share price reaction after accounting for general market and industry effects. A description of the regression analysis used for this event study is described in the Appendix to this Report.

42. The table below includes the days during the Class Period with statistically significant changes in Halliburton's stock price and the relevant information that was disseminated to the market. There are a total of 7 days during the Class Period that have statistically significant positive returns and 24 days during the Class Period that have statistically significant negative returns (there are a total of 31 days with statistically significant stock price returns). In general, large significant changes in Halliburton's stock price are associated with material, new and unexpected information about the Company.

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25. Herein, the stock price return on a given day is equal to: (that day's closing price plus the dividend, if any, divided by the previous trading day's closing price) minus 1.

43. I noted that on certain days with significant stock price returns, there was no company-specific news and the statistically significant returns occur because the Halliburton stock return is not consistent with relatively large market or industry-specific returns. This occurs on four days, specifically, February 10, 2000, October 24, 2000, December 18, 2000, and February 12, 2001. On at least one of these days, the large market or industry-specific returns reflect material news releases from another company. Therefore, it is consistent with the ECMH that Halliburton's stock return would not necessarily move with the market or industry, *i.e.*, its relatively stable stock price, although statistically correlated with the market and industry indices, is not unexpected.

44. I also noted that there are five days with significant stock price changes for which I have found little or no "new news" pertaining to Halliburton, specifically, June 18, 1999, October 15, 1999, February 25, 2000, May 19, 2000, and November 6, 2001. This is not unexpected as I do not have access to all of the information that was disclosed about the Company during the Class Period. Certain information, including oral communications, information from online reporting services such as First Call, and private investment alerts and analyst reports given to clients and other employees of the same investment firm, are not publicly available or are not maintained in historical databases. Moreover, Halliburton's stock price may be affected by news that I did not capture in my searches, such as news pertaining to one or more of Halliburton's major clients or competitors (that does not refer specifically to Halliburton). On certain dates, the

fact that I have not located news pertaining to Halliburton that explains the Company's stock price reaction does not preclude me from concluding that the market for Halliburton's stock was efficient during the Class Period.

45. Following is a summary of all days that have statistically significant stock price returns. A further discussion of the news on each day is included in the Appendix to this Report.

Date	Actual Return	Company-Specific Return	News
6/18/1999	-3.7%	-4.1%	No company-specific news on that day to explain the movement of the stock. However, on the following trading day, Monday, June 21, there was news that oil inventories were high and that this could put pressure on oil prices and, therefore, on values of oil companies and oil services companies.
10/5/1999	-13.2%	-9.0%	The Company warned that it expected its 1999 third-quarter earnings to be in the range of 11 to 13 cents per diluted

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			share. The previous average analyst estimates was 19 cents per share. The Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures of its engineering construction units and many of the other business units of the Dresser Equipment Group.
10/15/1999	-5.8%	-3.6%	No company-specific news on that day to explain the movement of the stock. On October 18, Schlumberger Ltd., which at that time was the world's second biggest oilfield services company (second by revenues to Halliburton), reported third quarter earnings which fell 60 percent compared with the prior year but rose four percent from the previous quarter.

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10/27/1999	-3.4%	-3.5%	An analyst at Brown Brothers Harriman lowered her estimates for fourth quarter 1999 and for the year 2000.
1/5/2000	-4.4%	-4.3%	Analysts cut their estimates of Halliburton's earnings for 2000 and 2001 following a conversation with the company.
1/10/2000	-4.0%	-3.9%	An analyst reduced his earnings estimates for 2000.
1/12/2000	-6.8%	-3.6%	The Houston Chronicle reported that "Oil-field service companies' earnings are also expected to be a mixed bag. Weatherford International, Smith International, Halliburton and Schlumberger are all projected to earn less in the 1999 fourth quarter than they did the year before."
2/10/2000	-0.2%	-5.1%	This company-specific decline is driven by the market and the industry,

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			which were up that day. No company-specific news on that day to explain the movement of the stock.
2/25/2000	-4.9%	-3.6%	There was no company-specific information to explain the decline that day in the stock; however, analysts commented on the recent poor performance in the stock prices of oil service companies.
5/2/2000	7.1%	3.7%	News commentators attributed the gain in Halliburton's stock price to OPEC's anticipated decision to not increase production quotas.
5/19/2000	2.5%	3.9%	There was no company-specific information to explain the increase in the stock, although analysts later commented on the recent increase in the stock prices of oil service companies.

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5/30/2000	4.7%	3.6%	On Saturday, May 27, the weekly financial newspaper *Barron's* issued a positive report on Halliburton, stating it expected Halliburton's stock price to recover over the next 18 months. On Tuesday, May 30, 2000, an analyst raised his price target for Halliburton.
6/8/2000	-1.8%	-3.5%	An analyst met with the Company on June 7. The analyst's report was issued on June 8, and based on that meeting, he lowered his estimate for second-quarter operating earnings for the Company by a penny to 64 cents.
10/6/2000	-5.0%	-3.8%	On October 5, 2000, Owens-Corning filed for bankruptcy protection "after it ran out of options to pay asbestos lawsuit claims that could eventually cost the company $7 billion." The October 9 edition of *Barron's* discussed

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			Halliburton's asbestos litigation exposure in light of the Owens-Corning situation.
10/23/2000	-6.5%	-3.5%	Halliburton reported that its Brown & Root Services unit was a target of the federal grand jury investigation.
10/24/2000	1.1%	4.2%	This is a statistically significant increase because both the market and the industry were down that day. While there is no company-specific news on that day to explain the movement of the stock, it is likely a partial correction from the prior day's news.
10/25/2000	-11.0%	-6.6%	Halliburton announced that it intended to restructure and shrink its engineering and construction units into a single unit, which prompted certain analysts to cut earnings forecasts.

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12/18/2000	4.0%	-3.8%	The company-specific return that day is a statistically significant decline because the industry was up sharply that day.
12/22/2000	-2.7%	-3.9%	On December 21, Halliburton pre-announced fourth-quarter earnings and formally unveiled the restructuring of its engineering and construction units and stated that it planned to take a charge of $120 million in the fourth quarter, the bulk of which was due to cost overruns at several overseas projects. On December 22, the overall market was up more than 3.0% such that this was a statistically significant decline.
2/12/2001	0.4%	4.6%	The company-specific return is a statistically significant increase because the industry was down that day. The industry move was

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			due to a significant decline in Schlumberger stock (12%), a major Halliburton competitor, on news of a proposed cash purchase of Sema PLC, a British technology information firm.
4/26/2001	9.1%	3.7%	Halliburton released its first-quarter 2001 financial results, reporting earnings on the low end of analysts' estimates, but stating that the company expected 2001 earnings per share ("EPS") to be at or above $1.30, which was higher than analysts' consensus forecast of $1.20. Some analysts raised their estimates and/or rating for Halliburton.
6/29/2001	-4.2%	-4.6%	Halliburton announced that a former subsidiary of Dresser, Harbison-Walker ("Harbison"), had been requesting the Company's financial

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			assistance with asbestos claims Harbison agreed to assume in 1992 after it was spun off from Dresser. Certain analysts expressed concern over the Company's potential exposure to asbestos liability.
7/26/2001	3.7%	3.4%	Halliburton released its second quarter financial results, reporting strong revenue and earnings and, as a result, several analysts raised their estimates.
8/9/2001	-4.5%	-5.2%	Halliburton filed Form 10-Q with the SEC, in which it increased its accrued net liability for known open asbestos claims to $124 million (from $30 million on March 31, 2001, and $29 million on Dec. 31, 2000). Certain analysts responded that the situation was now more complex and uncertainty was increased.

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10/31/2001	-6.3%	-4.9%	A jury in Mississippi found Dresser (through Harbison) liable in two of six asbestos cases for total compensatory damages of $21.3 million. One analyst was surprised by the size of the award.
11/1/2001	-2.9%	-3.7%	While there is no company-specific news on that day to explain the movement of the stock, it may reflect further concerns related to the October 31, 2001 news. The market was up that day.
11/6/2001	-3.9%	-3.5%	There was no company-specific news on that day consistent with the price decline.
11/9/2001	0.2%	-3.4%	Salomon Smith Barney issued a report on Halliburton in which the analyst lowered his earnings estimates for fourth quarter 2001. The industry was up that day.

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12/4/2001	-0.7%	-3.7%	A Texas District Court had entered a judgment against Dresser on a $65 million jury verdict rendered in September 2001. The same district court also entered three additional judgments against Dresser in favor of 100 other asbestos plaintiffs in the aggregate amount of $35.7 million related to an alleged breach of a purported settlement agreement.
12/5/2001	0.5%	-3.8%	This is a statistically significant negative return because both the market and the industry are up that day. While there is no company-specific news on that day to explain the movement of the stock, it likely reflects further concerns related to the December 4, 2001 news.

12/7/2001	-42.4%	-42.7%	A Maryland jury had awarded a $30 million verdict against Dresser in favor of five plaintiffs in an asbestos litigation. Several analysts issued reports that day in response; some downgraded ratings and lowered price targets citing mounting asbestos liabilities.

46. The events on dates of significant Halliburton stock price movement described above clearly illustrate that large changes in Halliburton's stock price generally are associated with important new information, which supports my conclusion that the market for Halliburton's stock was efficient during the Class Period.

F. *Unger/Bell* Factor 6: Market Capitalization

47. Courts have found that a large market capitalization can be an indicator of market efficiency.[26] Halliburton's stock had substantial market capitalization (calculated as the number of shares multiplied by the prevailing share price) throughout the Class Period. The market capitalization for Halliburton ranged from $15 billion to $23 billion in 1999; from $15 billion to $24 billion in 2000;

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26. *Unger*, 401 F.3d 316 at 323, HN10; *Bell*, 422 F.3d 307 at 313, n10; *Krogman* 202 F.R.D. 467 at 478; *O'Neil* 165 F.R.D. 479 at 503.

and from $5.1 billion to $21 billion in 2001. Even on the last day of the Class Period, December 7, 2001, after a decline in the value of Halliburton's market capitalization of more than 42%, its market capitalization was greater than $5.1 billion. See Exhibit 8. The average market capitalization of a NYSE stock was $5.6 billion, $6.0 billion, and $5.7 billion in 1999, 2000, and 2001, respectively.[27]

48. Halliburton's market capitalization was substantially greater than the average for a NYSE stock throughout the Class Period prior to December 7, 2001. The relatively large market capitalization of Halliburton stock supports my conclusion that the market for Halliburton's stock was efficient during the Class Period.

G. *Unger/Bell* Factor 7: Bid/Ask Spread

49. Bid/ask spreads are a measure of transaction costs and low transactions costs indicate that arbitrage opportunities can be exploited readily. Exhibit 9 contains the median and mean bid/ask spread, both as a dollar amount and percentage of the mean bid/ask prices, during the Class Period for Halliburton and its competitors. The more relevant analysis is to examine the bid/ask spread quotes from the listing exchange rather than all exchanges (including the non-listing exchanges). Bid/ask spread quotes from non-listing exchanges frequently include quotes that are so large as to be obvious errors or meaningless, *i. e.*, not reflective of actual transactions.

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27. NYSE Factbook Online http://www.nysedata.com/nysedata/Default.aspx?tabid=115 (select NYSE Historical Statistics then NYSE Overview Statistics).

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50. During the Class Period, the average bid/ask spread as a percentage of the mean bid/ask price for Halliburton was 0.22%; the average for Halliburton's competitors was 0.36%.[28] Halliburton's bid/ask spreads are comparable to its competitors during the Class Period. That bid/ask spreads are not large indicates that arbitrage opportunities could be exploited, which is evidence in support of market efficiency.

H. *Unger/Bell* Factor 8: Public Float

51. Courts have held that a large float percentage (percentage of shares held by the public) can be an indicator of market efficiency.[29] During the Class Period, there were between 429.0 million and445.5 million shares of Halliburton stock outstanding. Insider holdings ranged between approximately 2.0 million and 3.6 million shares during the Class Period. The public float was approximately 99% of shares outstanding throughout the Class Period. See Exhibit 10.

I. Factor 9: Listing Exchange

52. A security's listing on a national exchange means that financial information about that company is readily available to investors, at a minimum, through the

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28. The figures are for quotes on each company's listing exchange. In Exhibit 9, I have also provided the bid/ask spread for all quotes included in the TAQ database .

29. *Unger*, 401 F.3d 316 at 323, HN10; *Bell*, 422 F.3d 307 at 313, n10; *Krogman* 202 F.R.D. 467 at 478; *O'Neil* 165 F.R.D. 479 at 503.

company's SEC filings. Listing on the NYSE, AMEX or NASDAQ, means that investors have access to trading prices and volumes throughout the trading day. Rules of the national exchanges require that investors buy at the lowest ask price and sell at the highest bid price prevailing at the time of their trade.[30] Because a national exchange brings together many thousands (or millions) of investors, trading prices reflect a consensus opinion as to securities' values. At least one authority has said the following:

> ... at a minimum, there should be a presumption-probably conditional for class determination-that certain markets are developed and efficient for virtually all the securities traded there: the New York and American Stock Exchanges, the Chicago Board Options Exchange and the NASDAQ National Market System.[31]

In the *Cammer* decision, the Court stated:

> ... some may concur with [Defendant's] suggestion ... that companies listed on national stock exchanges or companies entitled to issue new securities using SEC Form S-3 would almost by definition involve stock trading in an "open and developed" market.[32]

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30. Market Structure and Trading Volume, Anderson & Dyl, p. 3 (March 2003), available at www.nyse.com

31. Bromberg & Lowenfels, 4 Securities Fraud and Commodities Fraud, Section 8.6 (Aug. 1988) (quoted in *Cammer*, 711 F. Supp at 1292).

32. *Cammer*, 711 F. Supp. at 1276-77 (D.N.J. 1989)

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53. Halliburton was traded on the NYSE and, as noted above, did file Forms S-3 with the SEC before and during the Class Period. The NYSE is a New York City-based stock exchange. During the Class Period, the NYSE was the largest equities marketplace in the world as measured by dollar volume. During 1999 to 2001, there were 2,798 to 3,025 companies listed on the NYSE. As of December 31, 2001, the combined capitalization of all NYSE listed companies was $16 trillion.

54. The NYSE is an agency auction market where most trading is conducted by brokers acting on behalf of customers, rather than by dealers trading for their own account. Competitive price discovery at the point of sale results from this broker interaction. Aided by NYSE-assigned brokers known as specialists, the NYSE marketplace provides all customer orders an equal opportunity to interact and receive the best price.[33]

55. NYSE's Letter to Our Constituents at page two of its 2002 Annual Report notes that "investors must be guaranteed a fair and level playing field." At page 21, it discusses market quality and states that "Investors enjoy fast, reliable and efficient access to unsurpassed liquidity, the narrowest spreads anywhere, and the best possible execution."[34] NYSE's Chief Regulatory Officer states in his letter to investors in NYSE's 2004 Annual Report that the exchange is "committed to do everything in our power to protect investors and ensure that the New

33. www.nyse.com

34. http://www.nyse.com/pdfs/2002ar_NYSE-2002.pdf

York Exchange remains the fairest, most open securities market in the world."[35]

56. Available from NYSE is the Trade and Quote ("TAQ") database which provides all reported trades and quotes for all issues traded on all U.S. exchanges, *e.g.*, NYSE, NASDAQ (OTC), and regional exchanges. The TAQ database contains over 1.3 million trades for Halliburton stock during the Class Period; the average number of trades per day was 2,086.

57. The fact that Halliburton traded on a major exchange during the Class Period, supports a conclusion that the market for the stock was efficient during that period.

J. Factor 10: Institutional Ownership and Trading

58. Institutional investors such as pension funds, mutual funds, and investment banks, typically have ready access to minute-to-minute financial news and to online bulletins from analysts such as those disseminated through First Call. They also expend resources in analyzing the value of stocks in which they invest. Thus, the fact of significant institutional ownership is a signal that knowledgeable investors are closely and rapidly scrutinizing sources of company information and forming investment opinions that affect share price accordingly.

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35. http://www.nyse.com/pdfs/2004editorial.pdf at 7.

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59. There was substantial institutional ownership of Halliburton stock throughout the Class Period. According to data provided by Thomson Financial, institutional holdings of Halliburton's stock ranged from a low of 273.5 million shares at the end of the fourth quarter of 2001 to a high of 315 million shares at the end of the third quarter of 2000.[36] (See Exhibit 11.) During the Class Period, institutional ownership of Halliburton stock ranged between 64% and 73% of the Company's reported shares outstanding and the number of institutional investors reported holding Halliburton stock ranged from 416 to 539.

60. During the Class Period, institutional investors actively traded Halliburton stock, as indicated by data from reporting institutions' filings of Form 13F with the SEC. Changes in institutional holdings of Halliburton shares from quarter-end to quarter-end for quarters falling in whole or in part within the Class Period, are substantial. This indicates institutions were actively trading Halliburton stock. (See Exhibit 12.) Institutional investors, reporting at each quarter-end, increased their holdings of Halliburton shares during the Class Period by at least 20 million (during the quarter ended September 30, 1999) and by as much as 53 million shares (during the quarter ended December 31, 2000). Thus, a substantial number of shares changed hands among the institutional investors throughout the Class Period.

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36. Institutions which file Form 13F with the SEC report shares held as of the end of each calendar quarter.

61. The presence and trading activity of institutional investors in the market for Halliburton's stock during the Class Period support a conclusion that the market for the stock was efficient during that period.

K. Factor 11: Dissemination of News

62. Coverage of a company by wire services, financial press, and general media ensures that investors have ready access to new information about a company's condition and prospects, and facilitates rapid share price reaction to new information about the company. There was extensive news coverage of Halliburton during the Class Period, including reports on Halliburton's financial condition, its prospects for growth, and its revenues and earnings trends.

63. Prior to, during, and after the Class Period, articles concerning Halliburton appeared in major news media in the United States, such as: *AP Online; Associated Press Newswires; Barron's; Business Week; Business Wire; Capital Markets Report; CCN Newswire; Chicago Tribune; CNBC: Business Center; Companies & Commodities; Corporate Financing Week; Daily Petroleum Report; Defense Daily International; Denver Post; Dow Jones Business News; Dow Jones Capital Markets Report; Dow Jones Energy Service; Dow Jones News Service; Factiva Press Release Service; Financial Disclosure Wire; Financial Times; Houston Chronicle; Knight Ridder Tribune Business News; Los Angeles Times; Money Magazine; Moody's Investor Service Press Release; New York Daily News; New York Post; Newsday;*

Oil & Gas Investor; Oil & Gas Journal; Petroleum Economist; Petroleum Finance Week; Pipeline & Gas Journal; PR Newswire; Reuters News; The Accountant; The Atlanta Constitution; The Baltimore Sun; The Boston Globe; The Christian Science Monitor; The Daily Telegraph; The Economist; The New York Times; The Oil and Gas Journal; The Philadelphia Inquirer; The San Francisco Chronicle; The Wall Street Journal; The Washington Post; and *U.S. Newswire.* During the Class Period, more than 12,100 electronic and/or printed articles were published with "Halliburton" mentioned in the article; more than 2,900 were published with "Halliburton" appearing in the headline or first paragraph.[37]

64. In addition, Halliburton held regular conference calls with members of the investment community. After each quarter's earnings announcement was released, the Company held a conference call at which management described Halliburton's financial performance and condition, answered questions from participants, and often provided guidance on expected future financial performance. During the Class Period, Halliburton management also occasionally held conference calls to discuss new business developments and other pertinent information.

65. The extensive news coverage of Halliburton within the Class Period supports my conclusion that the market for Halliburton stock was efficient during the Class Period.

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37. Source: www.factiva.com (from Dow Jones)

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VII. Summary Regarding the Market Efficiency of Halliburton's Stock

66. In summary, the following indicia of market efficiency are bases for my opinion that the market for Halliburton stock was efficient throughout the Class Period:

- the considerable trading volume in Halliburton stock during the Class Period;
- the significant number of securities analysts who reported on Halliburton;
- the fact that trading in Halliburton stock was facilitated by a specialist on the NYSE, a sophisticated and developed principal exchange;
- the Company's eligibility for and filing of SEC Form S-3 prior to and during the Class Period;
- the demonstrable relationships between company-specific news releases and prompt share price reactions;
- Halliburton's large market capitalization;
- Halliburton's bid/ask spreads comparable to other companies in its industry;
- Halliburton's sizeable public float;

- the fact that Halliburton traded on a major exchange;

- significant institutional ownership during the Class Period; and

- the extent of news coverage of Halliburton available to investors.

67. The fact of market efficiency does not preclude the information about Halliburton disseminated to the market by Defendants from being false and misleading. Rather, it means that information disseminated by Defendants about Halliburton and its prospects, whether true or false, was reflected in Halliburton's share price.

VIII. Materiality

68. Material information is any information that investors would want to know about a company that might affect their investment decisions with respect to that company,[38] or information that can reasonably be expected to affect the value of that company's securities. Material information may concern the market as a whole, the industry in which a company operates, or specifically the company (company-specific information). Clearly, material information includes information concerning a company's current revenues, expenses, and earnings. Market participants also may rely upon expected

38. *Basic, Inc. v. Levinson*, 485 U.S. 224, 231 (1988) (quoting *TSC Indus.*, 426 U.S. at 449).

future revenues, expenses, and earnings, information on accounting policies and procedures, reserves and estimates, in addition to demand for a firm's products and services, information concerning a firm's ability to compete and the effects of competition, information on management's effectiveness in managing the enterprise, and many other items of information which may affect market participants' evaluations of a firm's revenue and earnings prospects.

69. Share price is a function of a company's expected future economic earnings, *i.e.*, of expected future cash flow to shareholders. Cash flow to shareholders is that cash flow on which there are no other claims—not from suppliers, creditors, employees, government in the form of taxes, or from others—and hence is a return to equity investors for their investment and the risk they have borne. This cash flow can be distributed to equity investors as dividends or special distributions and/or as appreciation in share price realized at sale of the stock. In other words, a firm's share price is the present value of future economic earnings expected by its equity investors, discounted for risk and the time value of money.[39]

70. Market participants rely on statements made by company managers and representatives. Market participants also rely on the opinions of a company's independent auditors for assurance that the company's financial statements accurately and reliably report its

39. Richard A. Brealey and Steward C. Myers, *Principles of Corporate Finance*. 7th edition, c2003, pp. 60-61.

financial performance. Unless the market has reason to believe a company's future financial performance will be significantly different from its present financial performance, the market will look to the company's periodic reports of financial performance as important indicators of its financial health and earnings prospects. For example, a company's financial reports provide the level of revenues from which market participants project future growth.

71. If market expectations for a company's future economic earnings change, the company's share price will change. If the level of earnings used in projections or the expected growth rate of future economic earnings increases, share price increases; if the level of earnings for the market's projection or expected growth rate decreases, share price decreases.

72. The statements of a company's management and of its external auditors are particularly important in shaping the market's information mix because management and auditors have special access to and control of information about earnings, prospects for growth, and conditions within the company. For example, analysts participate in conference calls, report on conversations with management, and summarize a company's financial statements in analyst reports. The mix of information in the market about a firm is rarely, if ever, uniform, and the mix often includes some diversity in forecasts for financial performance. The market assimilates all the information available to arrive at an equilibrium price. Unless the general market recognizes notable defects in

management's and auditors' credibility, their statements will weigh heavily in establishing that equilibrium price.

73. It must be noted that a statistically significant change in a company's security's price (net of market and industry effects) is an indicator that new company-specific information has dramatically changed the total mix of information about a company, but is itself not the only indicator of materiality. A security price movement of any size can be material. Statistical significance measures the relative size of the security's price adjustment to the new information, *i.e.*, statistical significance only indicates that the price change was among the largest price changes over a period of time. Information that does not cause a very large price adjustment, *i.e.*, one that is not statistically significant, also can be material. Price changes are caused by information; the market is not a collection of whimsical expressions of an irrational force. Price changes may appear random because new information arrives randomly, *i.e.*, we cannot predict the future. Nevertheless, those price changes have causes. Information "important enough to affect security prices when publicly released provides compelling evidence that a reasonable investor would consider the information important in making an investment decision."[40]

74. Stock prices reflect publicly available information and this is the economic theory underlying an event study. Certain of the case-relevant events from an event

40. Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," *The Business Lawyer*, 49, 545.

study are discussed in Sections V.E. (addressing *Cammer* factor 5) and IX. (addressing Loss Causation) of this Report. A partial disclosure is corrective with respect to alleged misrepresentations and omissions when that disclosure changes the mix of fraud-related information available to investors. Specifically, if a company makes an announcement that misrepresents some aspect of its business or omits information that should not have been omitted and later the company "corrects" the misrepresentation (or omission), even though it did not admit its earlier misrepresentation (or omission), then that is a partial disclosure. Thus, a partial disclosure can be new information regarding the true condition or prospects of a company that has the effect of correcting the prior misrepresentation (or omission) even when the company does not admit to the fraud. Though the company may portray the information as new to the company, it would be a partial disclosure if it was, in fact, information previously known to the company but misrepresented to the market.

75. An example will illustrate. A company reports overstated revenues over several quarters. Analysts and investors, relying on those overstated revenues, make assessments about the company's revenue-generating capabilities, and assess the value of the company's stock.[41] Later, the company reports revenues that are below investors' expectations (those expectations based on the prior revenue overstatements) and the stock price falls.

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41. In this case, it is alleged that each time Halliburton released earnings, such earnings were overstated because they failed to disclose that the earnings included unapproved claims that Halliburton had erroneously recognized as revenues on its large fixed-price construction contracts .

The fraud is not that the company reported disappointing revenues in the later quarter and the stock price fell in that quarter, the fraud is that the company hid its disappointing revenues in earlier quarters, when the stock price would have declined had the company reported its revenues accurately. If the company had earlier reported its revenues appropriately, then analysts and investors would have had correct information upon which to make their assessments regarding the value of the company's stock, which would have resulted in the stock price decline earlier rather than later. The fraud is not that the stock price declined but that the stock price declined *later* than it would have if correct financial information had been reported. The corrective disclosure has a direct causal link to the alleged misrepresentations even though the company had not admitted to prior misrepresentations or to fraud. Furthermore, it may be the case that the company, while reporting disappointing revenues in the later quarter, may still be overstating its revenues such that the price inflation[42] from the initial misrepresentations is reduced but it is not eliminated.

IX. Loss Causation

76. The above section of this Report titled "Materiality" explains that investors use disclosures about the financial performance and condition of a company to make assessments about future cash flows that will accrue to investors in a firm's securities, and that investors use this information in valuing those securities. This section

42. Price inflation refers to that portion of the price of a share of stock in excess of its true value, *i.e.*, the difference between a reported stock price and its price had the fraud not occurred.

on "Loss Causation" describes certain disclosures by the Company that Lead Plaintiff intends to prove at trial corrected false or misleading information, or that revealed information that was wrongly omitted, regarding Halliburton's financial performance, earnings prospects, and potential asbestos liability; such disclosures caused the prices of Halliburton's stock to decline.

77. Certain announcements during the Class Period, while they did not admit the alleged fraud at that time, are partial disclosures of information that changed investors' perceptions of the true value of Halliburton. Lead Plaintiff alleges that had Halliburton's financial statements not been false and misleading during the Class Period, investors would have lower and more realistic expectations regarding Halliburton's earnings and revenue generating capabilities during the Class Period. Thus, information during the Class Period that partially corrected investors' previously erroneous perceptions as to Halliburton's value are partial disclosures of the alleged fraud.

78. This analysis is ongoing. This analysis does not attempt to illustrate all of the misrepresentations or partial disclosures of the fraud through the end of the Class Period. In the future, I may consider additional and/or different dates as partial disclosures of the alleged fraud based on additional analyses, materials, further discovery, and/or the opinions of other experts in this matter.

79. This "Loss Causation" section is based on, and summarizes the results of, an event study analysis based

on widely accepted statistical techniques and a review of information releases of many kinds relevant to Halliburton and issued during the Class Period. Information releases include news articles and wire service reports, reports of securities analysts, and Company press releases, conference calls, interviews and presentations, and SEC filings. The event study enables me to identify news during the Class Period—both related to Halliburton's partial disclosures concerning its potential asbestos liability, its booking of unapproved claims on fixed-price contracts and the lack of benefits from the Dresser merger, and other unrelated news—which led to a significant change in Halliburton's share price. This event study demonstrates that during the Class Period the prices of Halliburton's stock reacted to material, new, and unexpected information.

80. Regression analysis is used to show how a company's stock price moves in relation to market and industry movements and how it responds to news and information. The regression analysis I performed is able to explain 77% of the total variance in Halliburton's stock return during the control period. This is a very high correlation for this type of regression analysis; in my experience, market and industry indices returns generally explain less than 50% of the variation in a particular company's stock returns. (See Section V.E. and the Appendix to this Report for additional information regarding the event study.)

81. Similar to the methods I commonly employ when conducting an analysis of damages in securities cases such as this, I have conducted the following analyses to

determine the effect the disclosures of the alleged fraud (discussed below) had on Halliburton's stock price.

- Conducted an econometric analysis of the company's stock returns, *i.e.*, regression analysis in order to separate the portion of the return caused by company specific news and events from the portion of the return caused by market and/or industry news and events.

- Reviewed all of the news surrounding the day on which the alleged disclosure was made to determine what the company said and what market participants said.

- From the regression analysis, determined how much of the day's stock return can be attributed to company-specific news and events, and how much of the day's stock return can be attributed to market and industry news and events.

- Reviewed all of the available analyst reports surrounding the day on which the alleged disclosure was made to determine how the company's statements or communications impacted market participants' assessments of the company's value. Analyst reports provide information on what the company said if the company's statements were made outside of a press release, *e.g.*, conference call.

- Conducted an empirical analysis of the information on and surrounding the disclosure date. Based on commentary by the company, news articles,

and statements from analysts, determined what specific news items were important on the day of the alleged disclosure or on the days surrounding the day of the alleged disclosure, *e.g.*, the particular disclosure to which news articles attributed stock price movements; reasons in analyst reports for changes in estimates, ratings or target prices; commentary by the company with respect to what it noted was important.

- Conducted an empirical analysis to determine the relative importance of different pieces of news with respect to impact on stock valuation, *i.e.*, how different pieces of news impacted the stock price, examined contemporaneous assessments (both qualitative and quantitative) as to the impact on value. For example, reasons underlying the company's changes to its guidance, estimates and forecasts, and reasons underlying all or parts of analysts' changes to their valuation models, estimates, ratings, and target prices.

A. Summary of Events Related to the Misrepresentations, and the Effect on the Price of Halliburton's Stock

82. Following is a discussion of certain disclosures during the Class Period which revealed that previous alleged representations and omissions by Defendants had been false and misleading, causing the prices of Halliburton's stock to decline. (See Exhibit 13 for a chart of Halliburton's stock price and a summary of the events related to the disclosures.)

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Partial Disclosures Related to Booking of Unapproved Claims and Unrealized Benefits from the Dresser Merger:

83. The following events are examples of information disclosed during the Class Period that brought, in part, investors' perceptions of the Company's financial condition related to its booking of unapproved claims on fixed-price contracts and the benefits from the Dresser merger more in-line with its alleged true condition at that time. My analysis has identified at least four instances of partial disclosures related to these allegations; these disclosures caused a total company-specific decline in Halliburton's stock price of as much as 21.8%, or $9.42 (other non-culpable information was disclosed on one of these days, January 5, 2000, although, as discussed, below, a significant portion of the information on that day related to the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits from the Dresser merger).

84. *October 5, 1999*: On October 5, 1999, Halliburton's stock price dropped 13.2%, from $39.75 to $34.50. The company-specific return is -9.0%, a statistically significant negative return. After market close, on Monday, October 4, 1999, Halliburton announced that Dresser had elected to sell its interests in two joint ventures.[43] The Company also warned that it expected its 1999 third-quarter earnings to be in the range of 11 to 13 cents per diluted share. The previous average analyst estimates was 19

43. Halliburton held an invitation-only conference call with analysts. *Dow Jones Business News*, "Halliburton Sells Stakes In Joint Ventures For $1.1 Billion," October 4, 1999, 7:43 pm.

cents per share. The Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group.[44] This is an instance where the Company released negative news, which concerned the lack of benefits arising from the Dresser merger.

> [Halliburton] shares could slip in Tuesday morning trading due to its earnings warning. The oil driller said that its Dresser Equipment Group business segment and its Engineering and Construction business segment are warning of lower profits. As a result, Halliburton expects a third quarter profit between 11 and 13 cents a share, while analysts currently expect a profit of 19 cents a share. Halliburton also announced that its subsidiary Dresser Industries will sell its interests in two joint ventures to Igersoll-Rand *[sic]* Co. for a total of $1.1 billion. The sales will result in a one-time fourth-quarter gain of 84 cents a share. Shares closed down 2 1/16 to 39 3/4 ahead of the news.[45]

85. News commentary and analysts attributed the decline in Halliburton's stock price that day to

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44. *Reuters News*, "Halliburton to Exit Two Ventures, Sees Lower Q3 EPS," October 4, 1999, 5:23 pm.; Halliburton SEC Form 8-K filed October 4, 1999.

45. *CBS MarketWatch. com*, "Earnings Advisories," October 4, 1999, 6:11 pm.

the reduction in the Company's near-term expected earnings:[46]

> Shares of Halliburton Co. plunged 13.2 percent Tuesday after the company said its Dresser Industries unit will sell its stake in two joint ventures to Ingersoll-Rand for $1.1 billion, after poor performance by the businesses hurt third quarter results.
>
> Dresser Industries decided to sell the interests amid the Dresser Equipment Group segment's poor current and projected financial performance at D-R and at IDP. D-R is expected to report an operating loss in the third-quarter while the entire business segment forecasts weaker operating results, compared to previous predictions, for the third and fourth quarters.
>
> Analysts appear to agree that Halliburton's sale of the poor-performing joint ventures was a good move and that the earnings shortfall will be temporary.
>
> In a research note, analyst James Stone of Schroders said Halliburton's move is "a better-than-expected outcome" for the company and even though "it will negatively affect earnings

46. *See, e.g.*, Dain Rauscher Wessels, "Halliburton Selling Joint-Venture Interests; Expects To Miss Previous Third-Quarter Guidance," October 5, 1999; *Dow Jones Business News*, "Earnings Warning Pressures Shares Of Oil-Services Firm Halliburton," October 5, 1999, 11 :26 am.

in the fourth quarter and for at least part of 2000, it is a much better scenario than having bought out Ingersoll-Rand."

Stone reduced his third-quarter earnings-per-share estimate to 12 cents from 21 cents, but noted that the sale's impact on the company is short-term and will ultimately be to Halliburton's advantage.

Additionally, Arvind Sanger, analyst at Donaldson, Lufkin & Jenrette downgraded his third-quarter estimate to 12 cents a share from 18 cents, fourth quarter earnings-per-share estimate to 18 cents from 28 cents. However, in his research note, he maintained a "buy" rating on the company's stock, viewing the sales as "a good strategic move."[47]

86. Analysts lowered their forecasts after the Company's earnings warning. For example:

CIBC:

We have revised our estimates for 3Q and 4Q99 to $0.12 and $0.18 from $0.18 and $0.25, respectively. We are preliminarily raising our 2000 and 2001 estimates to $1.56 and $2.15 from

47. *CBS MarketWatch.com*, "Halliburton to sell interests in two joint ventures; issues third-quarter earnings warning," October 5, 1999, 8:06 pm.

$1.49 and $2.08, respectively. We reiterate our Buy rating and 12- to 18-month price target of $56.

The sale of the joint-venture interest comes as a major surprise to Wall Street, which assumed [Halliburton] wanted to own the compressor and pump businesses. ... Reducing financial leverage and creating potentially accretive earnings transactions made the sale decision mandatory, from the point of view of shareholder value creation.

The company's announcement of weakness across virtually every business line in 3Q is not surprising, given the slower than anticipated oilfield industry recovery. [Halliburton] is merely the latest company to confess to this situation.

We believe a significant disconnect exists between oilfield service stock prices and improving industry fundamentals. ...[48]

Dain Rauscher Wessels:

HAL announced that third-quarter EPS would come in $0.06-$0.07 less than expected and attributed the entire shortfall to the disappointing performance of the two joint ventures.

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48. CIBC World Markets, October 5, 1999.

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> We are lowering our third-quarter EPS estimate to $0.12 from $0.21, our 1999 estimate to $0.66 from $0.85, and our 2000 estimate to $1.14 from $1.39. We are maintaining our Neutral rating.[49]

Jefferies & Company:

> Lowering Estimates—We are lowering our 3Q99 EPS estimate to $0.12 from $0.23 to reflect the weak operational environment in HAL's Dresser Equipment Group and its downstream Engineering and Construction segment. In addition, we are lowering our 1999 EPS estimate to $0.65 from $0.85 and our 2000 EPS estimate to $1.05 from $1.50 to reflect the sale of its Dresser-Rand and Ingersoll-Dresser Pump divisions and the adjusted outlook for other divisions.[50]

87. I have reviewed all of the news and analysts reports from October 5, 1999, that are available to me at this time; I do not see other news or information that can explain the company-specific stock price decline on October 5 other than the reduction in the Company's near-term expected earnings. The reductions in earnings estimates are based

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49. Dain Rauscher Wessels, "Halliburton Selling Joint-Venture Interests; Expects To Miss Previous Third-Quarter Guidance," October 5, 1999.

50. Jefferies & Company, Inc., "Stock Collapses On Profit Warning; Underperforming Assets To Be Sold," October 5, 1999.

at least in part on lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group. Lead Plaintiff alleges that during the Class Period Defendants misrepresented the integration of Dresser's construction operation, and the benefits the merger would have to Halliburton's bottom line, and the operational problems at the Company's engineering and construction units.[51] Thus, a significant portion of the stock price decline on October 5, 1999, was caused by information that partially corrected prior misstatements and omissions regarding the Dresser merger and the Company's related operational problems.

88. *January 5, 2000*: On Wednesday, January 5, 2000, Halliburton made a partial disclosure related to the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits realized from the Dresser merger as revealed in a conversation with analyst Carol Lau with Brown Brothers Harriman & Co. On this day, which included both culpable and non-culpable news, there was a statistically significant decline in Halliburton's share price. Halliburton's stock price dropped 4.38% from $38.50 to $36.81. The company-specific return was negative 4.3% that day. Following this conversation with Halliburton, Lau reduced her 2000 EPS estimates.[52] Year 2000 estimates were reduced by 20 cents (from $1.10 to $0.90), related to the following segments:

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51. Fourth Consolidated Amended Complaint for Violation of the Securities Exchange Act of 1934, filed April 4, 2006 (the "Complaint"), pp. 1-2 .

52. Brown Brothers Harriman & Co., January 5, 2000, 2:02 pm.

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Operating Segment	Reduction to EPS:
Energy Services	$0.13
Engineering and Construction	$0.06
Dresser Equipment	$0.01
Total	$0.20

89. On the same day, Merrill Lynch analyst K. Simpson ("Simpson") cut his estimates of Halliburton's earnings for 2000 and 2001, and downgraded the Company's intermediate-term rating on the stock to "Accumulate" from "Buy," while retaining the long-term "Buy" rating. Simpson attributed the cut to "reduced expectations for offshore construction results, a reduced growth estimate for oilfield spending outside North America and 'less powerful synergies from the Dresser merger than [h]e had envisioned.'"[53] His earnings per share estimates were cut to $0.85 from $1.15 for 2000 and to $1.50 from $1.90 for 2001. I do not have Simpson's breakout of his reduction of 2000 and 2001 earnings estimates between the segments; however, the reasons Simpson cites for cutting his rating for Halliburton are—except for his concerns about oilfield spending—related to Halliburton's alleged misstatements and omissions—specifically those concerning revenues and profitability from large fixed-price construction contracts and the benefits of the Dresser merger. The news article that reported on Simpson's change to estimates and rating noted that in the first half hour of trading the stock was down $1.4375, to $37.0625.

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53. *Reuters News*, "Research Alert—Halliburton Estimates Cut," January 5, 2000, 9:59 am.

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90. Industry-wide disclosures are captured by the industry index and are not reflected in the company-specific returns. Oilfield spending was an industry-wide concern for oil services companies that day. Thus, while the disclosure related to industry oilfield spending is non-culpable it is unlikely to be a contributing factor to the significant company-specific decline in Halliburton's stock price that day. For example, the impact of spending by major oil companies on the industry was discussed that day in a *Dow Jones Business News* article:

> ... [I]ndustry observers say oil-services giants such as Halliburton Co. (HAL), Baker Hughes Inc. (BHI) and Schlumberger Ltd. (SLB) will report fourth-quarter results substantially below a year earlier. Oil-services, or oil-field, companies provide equipment, such as drilling rigs and services, to search for and produce oil and gas. ...
>
> Overall, analysts said, the oil-services group should show substantial declines from fourth quarter 1998 because the most notable oil-industry trend of 1999—rising crude prices—has yet to spur major increases in production and exploration. This spending by major oil companies is the oil-services group's bread and butter. ...
>
> "You're starting to see some increases in spending [by oil companies], but it's still very

conservative," said Poe Fratt of A.G. Edwards & Sons Inc.[54]

91. CIBC World Markets also discussed oilfield spending that day:

> The oilfield service industry is driven by the need for oil and gas companies to develop new reserves and increase their current deliverability to satisfy the world's growing energy demand.
>
> The bottom of the industry cycle occurred in either 3Q99 or 4Q99, depending on whether a company's business is primarily North America, or internationally, oriented.
>
> We anticipate this cyclical uptrend to strengthen as 2000 unfolds. With increased oilfield activity, given the downsizing within the service companies, revenue and profit margins should experience a healthy recovery this year and into 2001, driving EPS growth. ...
>
> Our strategy for investing in this industry recovery has been, and remains, to focus on the largest-cap service companies such as Schlumberger (SLB-$67 target price),

54. *Dow Jones Business News*, "Oil-Service Firms' 4th-Quarter Results May Signal Start Of A Recovery," January 5, 2000, 9:15 am.

> Halliburton (HAL-$56 target price), and Baker Hughes (BHI-$41 target price), because that is where we believe investors' money will flow initially during the early stage of the upturn.[55]

92. I have reviewed all of the news and analysts reports from January 4-6, 2000, that are available to me at this time; I do not see other news or information that can explain the company-specific stock price decline on January 5 other than the reductions to earnings estimates made by the two analysts after, at least in the case of Lau, a conversation with Halliburton management. The reductions in earnings estimates are based at least in part on the problems with the large fixed-price contracts and the lack of benefits from the Dresser merger. Lead Plaintiff alleges that had Halliburton not included in its operating income in certain quarters of 1998, 1999 and 2000 unapproved claims revenue, in contrast to its earlier accounting policies, investors would have been on notice with respect to the unsatisfactory profitability of the certain large fixed-price contracts.[56] Thus, a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger. This is the type of information that would affect stock prices because it relates to value and is used, at least by analysts, in models to assess the value of Halliburton's stock.

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55. CIBC World Markets, "Oilfield Svc & Offshore Drilling; Oilfield Services Investment Thesis," January 5, 2000.

56. Complaint, pp. 140-141.

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93. *October 24-25, 2000*: After market close on October 24, 2000, while announcing its third quarter earnings release, the Company made a partial disclosure concerning the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger. Specifically, it disclosed that it would be restructuring its engineering and construction units, causing a statistically significant decline on October 25 of 11.0% in Halliburton's stock price from $41.63 down to $37.06 (the company-specific decline was 6.6%; this was a statistically significant decline). Trading volume was 25.35 million shares that day, more than 7 times the average daily trading volume for Halliburton stock during the Class Period.[57] The price decline on October 25, 2000, was caused by revelations related to operational problems at the engineering and construction units and, to a lesser extent, some analysts' concerns regarding potential asbestos exposure. This is an instance where the Company released negative news concerning operational problems at its engineering and construction units. Analysts revised their forecasts as a result of the negative news discussed on October 24 and 25, 2000. A significant portion of the negative news, as attributed to the Company, in news reports and by analysts, was related to the problems with the engineering and construction units that Lead Plaintiff alleges could have been and should have been revealed earlier. Thus, a significant portion of the stock price decline on October 25, 2000 was related to the Company's booking unapproved claims on fixed-price contracts and

57. The average daily trading volume for Halliburton stock during the Class Period was 3.46 million shares.

lack of benefits from the Dresser merger alleged in the Complaint.

94. According to the Complaint, Halliburton's then-Chairman and chief executive David Lesar ("Lesar") leaked information regarding the Company's "serious operational problems in Halliburton's construction business ... and that a new major restructuring/reorganization ... was necessary" to certain analysts in "early" October 2000.[58] The Complaint cites a Salomon Smith Barney report released October 25, 2000, which states:

> During the conference call, management indicated their desire to merge [Brown & Root Energy Services] with its construction peers in [Engineering and Construction] and rationalize the entire business. This confirms the message we heard from management several weeks ago during our company visit.[59]

95. The subsequent restructuring charge taken in fourth quarter (as revealed later in the December 22, 2000 partial disclosure) was predominantly due to the delays and cost overruns of Halliburton's large fixed-price construction projects. According to news reports, Lesar said on October 24 or 25, 2000, that:

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58. Complaint, p. 101.

59. Salomon Smith Barney, "HAL: 3Q in line; E&C Outlook weak; Trimming Estimates," October 25, 2000.

> [T]he engineering and construction units have been hurt because customers have been slow to move ahead with major construction projects and that profits have been unsatisfactory.
>
> . . .Kellogg Brown & Roots profits have been adequate so far because that unit has been working through a backlog of projects.
>
> However, its profit margins will erode as it finishes projects and customers continue to delay decisions on major new construction.[60]

Lead Plaintiff alleges that during the Class Period had Halliburton not included unapproved claims in its construction units' revenues, or disclosed that it had included unapproved claims in its financial reporting for its construction units, investors would have been on notice of those units' reduced profitability or that reported profits might not be realized if customers failed to pay the unapproved claims, with subsequent charges for cost overruns as a result.

96. The announcement by the Company on October 24 prompted certain analysts to cut earnings forecasts based on the partial disclosures related to the large fixed-price construction contracts.[61] Some analysts mention other

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60. *Knight Ridder Tribune Business News*, "Dallas-Based Halliburton Co. to Combine Engineering, Construction Units," October 25, 2000.

61. The charges for cost overruns that were announced in December 2000 make clear that the problems in the engineering

negative news but the overwhelming consensus behind all downgrades is the problems at Halliburton's Engineering and Construction unit and the restructuring related to same.

> Shares of oil-services firm Halliburton Co. slumped Wednesday after the company announced a restructuring of its engineering and construction units. ...
>
> ING Barings lowered its rating on the stock from "buy" to "hold," Southwest Securities downgraded from "buy" to "accumulate," and Dain Rauscher Wessels said that because of "too many uncertainties" in the non-oilfield units investors should focus on purely oil-service stocks.
>
> In trading Wednesday morning, Halliburton shares were down $5.13, or more than 12 percent, to $37.06. ...
>
> The company made the announcement while releasing its third-quarter results. Halliburton said excluding one-time items, it earned $109 million, or 24 cents per share, a penny better than expected by analysts surveyed by First

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and construction were related to the large, fixed-price contracts and, therefore, the negative news on October 24 and 25, 2000, is a partial disclosure related to the Company's booking unapproved claims on fixed-price contracts and the lack of benefits from the Dresser merger alleged in the Complaint.

Call/Thomson Financial. Revenue was $3 billion.[62]

97. Several analyst reports were released on October 25. Merrill Lynch analyst Kevin Simpson said he had cut his estimate of Halliburton's 2001 earnings per share to $1.30 from $1.50 due to problems with the Company's construction segment, but was maintaining an accumulate rating on the stock. "The engineering and construction side of the business is turning much more slowly than they had expected and than I had expected," he said.[63]

98. Also, "ING Barings analyst Stephen Gengaro lowered his rating on Halliburton's stock to hold from buy rating and his 2001 earnings estimate to $1.50 from $1.80, citing weakness in the engineering and construction business and, to a lesser extent, outstanding asbestos liability claims against the company."[64]

99. Analyst James K. Wicklund with Dain Rauscher Wessels released a report that day that stated that Halliburton's third-quarter EPS beat expectations, but "[m]ore interestingly, the company announced a major restructuring of its Engineering and Construction Group which continues to show disappointing results."

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62. *Associated Press Newswires*, "Halliburton stock slides on news of restructuring, slowing projects," October 25, 2000, 12:24 pm.

63. *Reuters News*, "Update 2-Halliburton stock hit by engineering slowdown," October 25, 2000, 4:26 pm.

64. *Ibid.*

He reduced his fourth-quarter estimates to "reflect the increasing weakness in the engineering and construction business and the slower-than-expected increase in international activity." He stated:

> We applaud the company's attempt to improve the results of the ECG [construction segment] and believe that the ESG [oilfield services segment] is well positioned to benefit from the continued oilfield services cyclical recovery with strong market positions in several products/ services segments. However, we believe there are too many uncertainties regarding the recovery in the non-oilfield service businesses. We recommend investor's focus on pure-play oilfield service stocks that are more highly leveraged to the continued cyclical recovery. We continue to rate the stock Neutral.[65]

100. Analyst Allen Brooks with CIBC stated in his report that day:

We are maintaining our Buy rating but reducing our price target to $50 from $56...

> The shock in the conference call was management's statement that, given the outlook for customer spending in the shallow water marine construction market and the

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65. Dain Rauscher Wessels, "Halliburton Reports: Announces Major Restructuring Initiative," October 25, 2000.

> downstream [Engineering and Construction] business, it is not sure that Halliburton has the critical mass to generate consistent and predictable profitability and profit growth from these sectors. Management believes the stock is being punished for the lack of this predictability. Therefore, it will look to a significant restructuring of these businesses with an eye to achieving this goal during 2001.[66]

101. Analyst Fratt with A.G. Edwards & Sons, Inc. stated that Halliburton's EPS was ahead of expectations "due to strong North American drilling market," but that the "near-term outlook [was] less robust." Fratt lowered his estimates for the Company to "reflect weaker [Engineering and Construction] business," concluding that the "[r]estructuring is positive and oilfield service recovery continues." Fratt reiterated his "Accumulate/ Aggressive" rating for the Company.[67]

102. Analyst Asit K. Sen with ABN AMRO stated:

> Strong performance from the oil field services business ... were essentially offset by weaker results from the Engineering and Construction (E&C) business. ... The company indicated that

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66. CIBC, "Weak E&C Outlook Prompts Restructuring; Reducing Estimates," October 25, 2000.

67. A.G. Edwards & Sons, Inc., "North America Drives Positive Earnings Surprise—Lowering Estimates to Reflect Weaker E&C Business," October 25, 2000.

> it is embarking on a strategic restructuring program to improve results from the E&C business that we view positively. ... We are lowering our 2000 EPS estimate to $0.55 (from $0.58) and 2001 estimate to $1.35 (from $1.50).[68]

103. As clearly illustrated above, each analyst cites the problems within Halliburton's construction segment as the cause for downgrades and concerns. Indeed, most analysts discuss positive news for the Company's oilfield services segment, which would be positively reflected in the stock's returns, strengthening my opinion that the decline in the stock price was due to the partial disclosure related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger.

104. I have reviewed all of the analyst reports available to me at this time. The following table summarizes their adjustments to earnings following the Company's third quarter 2000 earnings release and conference call with management.

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68. ABN AMRO, "HAL: Lowering 2000 and 2001 Earnings Estimates," October 25, 2000. Later that day, Sen issued another report where he lowered his 2001 EPS estimate even further to $1.15. AMRO, "HAL: Bruised But Not Broken—Sensitivity Analysis," October 25, 2000.

Analyst	Prior 2001 EPS	New 2001 EPS	Reason for change
ABN-AMRO	$1.50	$1.15	Continued weakness in E&C business, both upstream (BRES) and downstream (KBR) services. Change in 2001 estimates for operating income from previous earnings model: Prior: / New: ES $1,029 million / $929 million E&C $207 million / $76.5 million More than 50% of the reduction in estimated operating earnings for 2001 comes from E&C.
A. G. Edwards & Sons	$1.55	$1.35	More conservative operating assumptions for the E&C business.

CIBC	$1.71	$1.50	Weakness in E&C business. Change in 2001 estimates for operating income from previous earnings model: Prior: / New: ES: $1,046.2 million / $1,029.2 million E&C: $203.5 million / $80.0 million Dresser: $174.2 million / $164.8 million More than 80% of the reduction in estimated operating earnings for 2001 comes from E&C.

Dain Rauscher Wessels	$1.57	$1.42	Increasing weakness in E&C business and slower-than-expected increase in international activity. Change in 2001 estimates for operating income from previous earnings model: Prior: / New: ES: $ 987.4 million / $988.9 million E&C: $189.4 million / $90.0 million Other income: -$86.4 million / -$98.5 million Other income is interest expense/income. More than 80% of the reduction in estimated operating earnings for 2001 comes from E&C.
Jefferies & Co.	$1.65	$1.65	No change
Salomon Smith Barney	$1.45	$1.10	"Largely" due to weak E&C outlook

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105. For the three analysts that provide detailed earnings models, 50% to 80% (a significant portion) of the reduction in estimates for 2001 operating income is from the engineering and construction business (E&C).[69] This is the type of information that would affect stock prices because it relates to value and is used directly by, for example, analysts in models to assess the value of Halliburton's stock. I have reviewed all of the news and reports from October 24 and 25, 2000, that are available to me at this time and find that the negative news and sentiment is predominately about the operational problems, delays and cost overruns for large construction projects.[70] Thus, a significant portion, if not all, of the significant price decline on October 25 was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger that are alleged by Lead Plaintiff.

106. *December 21-22, 2000*: On Thursday, December 21, 2000, Halliburton pre-announced fourth-quarter earnings and formally unveiled the restructuring of its engineering and construction units. The press release

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69. Various studies have demonstrated that earnings surprises, i.e., when earnings are lower or higher than expected, have an impact on stock prices. Thus, it has been empirically demonstrated that changes in earnings and earnings expectations can and do affect stock prices.

70. It is my understanding that to date there has been no discovery that would identify specifically what projects were affected.

stated that it planned to take a charge of $120 million in the fourth quarter, the bulk of which was due to cost overruns at several overseas projects.[71] This is an instance where the Company released negative news, all of which appears to be related to cost overruns on the fixed-price contracts at its engineering and construction units. Lead Plaintiff alleges that information related to cost overruns on overseas projects could have been and should have been disclosed earlier.

> [Halliburton will] record[] approximately $120 million after tax charges in the fourth quarter related to restructuring and charges on projects of the engineering and construction businesses. Both Brown & Root Energy Services and Kellogg Brown & Root are impacted by the charges and reorganization.
>
> The portion of the charges related to reorganization costs is expected to be approximately $25 million after tax and primarily relate to severance costs associated with a reduction in the number of senior management positions and costs to exit several facilities no longer required, while the remaining charges primarily relate to project specific matters.

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71. Aftermarket close, on January 30, 2001, Halliburton released its fourth-quarter 2000 earnings results in which the Company increased the $120 million charge announced December 21 to $193 million (of which, $157 million was attributed to project losses).

> During the quarter, several large fixed fee engineering and construction projects, including two projects where Kellogg Brown & Root participates as a member of a construction joint venture, incurred significant additional costs related to projected completion of the projects. Much of the additional costs relate to labor disturbances in Venezuela and West Africa that have significantly affected productivity on the projects. While claims will be made for a large portion of the additional costs, management does not believe that all the claims will be recovered. In addition, negotiations with customers regarding cost increases on seven other projects have not resulted in resolution of certain claims as originally anticipated.[72]

107. In general, analysts were surprised by the charges related to the cost overruns.

> Halliburton said approximately $25 million of the charge will cover costs of the restructuring, which analysts said could foreshadow spinning off the engineering and construction units into a separate company. But the bulk of the charge, about $95 million, was related to delays and cost overruns. The company blamed some on labor problems in Venezuela and West Africa and said it will make claims to recoup the money.

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72. *PR Newswire*, "Halliburton Announces New Structure and Engineering and Construction Charges," December 21, 2000, 8:59 am.

It is also negotiating, so far unsuccessfully, to recover extra costs on seven other projects.

The Dallas-based company had hinted about the restructuring two months ago, but the cost overruns caught observers off-guard.

"There are nine projects (with overruns). That points more to a problem with the bidding process," said Jim Wicklund, an analyst with Dain Rauscher Wessels who rates Halliburton stock "neutral."

Allen Brooks, an analyst with CIBC World Markets Corp., attributed the overruns to doing business in places such as Nigeria.

"It was a little bit of a surprise, but I don't raise too high a flag about it," said Brooks.[73]

108. Analysts continued to express concerns on December 22:

Two investment analysts who follow Halliburton expressed some unhappiness about the write-off from cost overruns and higher expenses, which came as a surprise to them.

"I knew there would be charges," said Fred A. Mutalibov with Southwest Securities Inc. in

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73. *Associated Press*, "Halliburton to split into two divisions," December 21, 2000, 5:31 pm.

Dallas. "But one of the problems with the big companies like Baker Hughes, Halliburton and Schlumberger within my industry is that what are called one-time or non-recurring charges keep coming again and again."

Jim Wicklund, analyst with Dain Rauscher Wessels in Dallas, said excluding the charges makes it difficult for investors to compare Halliburton's earnings from quarter to quarter. It isn't the first time Halliburton has written off cost overruns on projects, he said.

"This is $95 million in charges where they had significant cost overruns and seven projects that they had cost increases that they haven't been able to pass along. With no offense meant toward Halliburton, that's a lack of good contingency consideration," he said.

Halliburton shares, after trading off as much as $1.31, closed down 75 cents to $37 Thursday on the New York Stock Exchange.

Guy Marcus, Halliburton's vice president of investor relations, declined to identify the projects or customers with which Halliburton has incurred the higher costs.

Halliburton said "several large fixed-fee" projects, including two where its Kellogg Brown & Root unit is part of a construction

> joint venture, "incurred significant additional costs" coming up to completion.
>
> It said "labor disturbances" in Venezuela and West Africa "have significantly affected productivity on the projects."
>
> "While claims will be made for a large portion of the additional costs, management does not believe that all the claims will be recovered," Halliburton said.
>
> The company also said that on seven other projects, it has been unable to resolve claims over cost increases as it had first anticipated.[74]

109. Although the stock fell 2.0% on December 21, this was not a statistically significant return. On December 22, 2000, Halliburton's stock price declined 2.7%, down from $37.00 to close at $36.00. The company-specific return that day is negative 3.9%, a statistically significant decline (although the industry was down that day, the overall market was up more than 3.0%). The price reactions on December 21 and 22 are consistent with the charge for cost overruns at various projects that was a surprise to the market.

110. Several analysts issued reports on December 21 and 22 in response to the Company's announcement.

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74. *Texas*, "Dallas-Based Oil Services Firm Halliburton to Take $120 Million Charge," December 22, 2000.

Appendix B

A.G. Edwards & Sons:

Although these project adjustments will undoubtedly have a positive impact on [Engineering and Construction] profitability in 2001-2, the extent of the adjustments is much wider than previously thought, in our view, and is evidence that execution problems have also had a negative impact on [Engineering and Construction] operating results. With the restructuring and project adjustments, we believe that [Halliburton's] [Engineering and Construction] business should be on track to meet its 3% margin goal in 2001 and generate closer to 5% margins in the future. We point out that the [Engineering and Construction] backlog has improved slightly since the end of 3Q2000 and additional activity should materialize as integrated oil companies increase capital spending in 2001.[75]

CIBC:

The struggling [Engineering and Construction] division has been a drag on [Halliburton's] stock performance. Based on our 2001 EPS estimates, [Halliburton] currently trades at a 35% valuation discount to other major oil services companies. Although part of this discrepancy

75. AG Edwards & Sons, Inc. "E&C Business Restructuring Formally Announced—4Q2000 EPS ON Track," December 21, 2000.

> is warranted due to the weak performance of the [Engineering and Construction] business, we believe [Halliburton] can narrow the valuation gap with a successful reorganization. Additionally, the strength of the recovery in the oilfield service industry should also enhance stock price appreciation.[76]

111. Of the $120 million special charge announced by Defendants, $95 million (or 79%) is related directly to the misrepresentations of cost overruns alleged by Plaintiffs. The remaining $25 million is related to the restructuring necessitated by the severe operational problems arising from the failed Dresser merger and cost overruns for large fixed-price construction contracts, and does not appear to have been a surprise or a concern to analysts as some charge was expected after the Company announced the restructuring plan in its third quarter earnings conference call.

112. Halliburton's stock price reaction that day is consistent with the charge for cost overruns at various projects being a surprise and a concern to the market. I have reviewed all of the news and analysts reports available to me at this time from December 21 and 22, 2000, and find that the negative news and sentiment is predominately about the operational problems, delays and cost overruns for large construction projects. As there was no other negative news released that day, all

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76. CIBC, "4Q Outlook In Line With Prior Guidance, Restructuring Charge Announced," December 21, 2000.

of the price decline on December 22 was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged by Lead Plaintiff.

113. My conclusions with respect to the causes of significant portions of the company-specific price declines in Halliburton stock on October 5, 1999, January 5, October 25 and December 21-22, 2000, are based on statements made by the Company and by analysts (that are for the most part attributed to or based on communications from the Company). I reserve the right to revise my conclusions if, based on discovery, additional information would cause me to alter my conclusions.

Partial Disclosures Related to the Company's Exposure to Asbestos Litigation:

114. Lead Plaintiff alleges that Defendants "intentionally concealed and affirmatively misrepresented the true significance of Halliburton's exposure to asbestos liabilities in Halliburton's financial statements, [SEC] filings, press releases and communications with analysts and investors."[77] The following events are examples of information disclosed during the Class Period that corrected, in part, these misrepresentations, in that they brought investors' perceptions of the Company's exposure to asbestos liability more in-line with its alleged

77. Complaint, pp. 23-24.

true exposure at that time. My analysis has identified at least four instances of partial disclosures related to these allegations; these disclosures caused a total company-specific decline in Halliburton's stock price of as much as 56%, or $16.19.

115. *June 29, 2001*: On June 28, after market close, Halliburton made a partial disclosure related to the asbestos claims. This is an instance where the Company released negative news, all of which concerned the asbestos claims. It announced that Harbison had requested the Company's financial assistance with asbestos claims Harbison agreed to assume in 1992 after it was spun off from Dresser. Dresser had agreed to handle asbestos claims filed prior to the split, and Harbison agreed to handle asbestos claims filed afterward. Dresser was named as a defendant in the claims, and the companies were in effect co-insured. The Company stated that:

> Based on the information it has developed to date and its own experience in managing asbestos claims, Halliburton believes that if such a decision is made it would require an additional reserve for estimated known claims at June 30, 2001, net of insurance recoveries, of approximately $50 to $60 million, after-tax.

Halliburton stated that it had "substantial interest" in resolving the claims, and that this development exposed the Company, net of insurance recoveries, to a worst case asbestos liability cost of $60 million.[78]

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78. *PR Newswire*, "Harbison-Walker Asks Halliburton For Asbestos Claims," 4:45 pm, June 28, 2001.

116. This disclosure caused a statistically significant decline in Halliburton's share price. On Friday, June 29, 2001, Halliburton's stock price declined 4.22%, down from $37.17 to close at $35.60. The company-specific return that day is negative 4.6%.

117. Certain analysts expressed some concern over the Company's potential exposure to asbestos liability and its impact on Halliburton's stock price, which is reflected in the decline in the stock price. For example, on June 29, Goldman Sachs removed Halliburton from its list of top recommendations, citing anticipated pressure on the Company's stock price due to this asbestos related disclosure:

> Analyst Terry Darling ["Darling"] wrote in a report, "Although [Halliburton's] operating performance is improving (second quarter upside surprise likely) and it's unlikely that this event substantially increases [Halliburton's] financial risk from asbestos liabilities, we believe the incremental uncertainty created by this new development is likely to place further pressure on [Halliburton] shares.[79]

CNBC discussed the Goldman Sachs downgrade:

> [Halliburton] was downgraded today by Goldman Sachs. The bottom line from Goldman is that Goldman says the company has issues with w—asbestos [*sic*] liabilities. That's going

79. *Reuters News*, "Research Alert-Goldman cuts Halliburton from recommended list," June 29, 2001, 8:04 am.

> to be a problem, even though the fundamentals appear to be improving for Halliburton. The firm is taking the stock off of its recommend list. They make it a market performer on the heels of the company, saying it may assume asbestos liabilities of Harbison Walker, which was spun off by Dresser Industries as Indresco back in 1992.[80]

The reasons cited by Darling for removing the Company from its recommendation list are related to Halliburton's misstatements—specifically the misstatements concerning the significance of Halliburton's exposure to asbestos liabilities.

118. I have reviewed all of the news and analysts reports surrounding June 29, 2001, that are available to me at this time; I do not see other news or information that can explain the company-specific stock price decline on June 29, 2001, other than the asbestos-related disclosure. The stock price decline on June 29 was caused by information that partially corrected investors' erroneous assessments Halliburton's asbestos liability. Lead Plaintiff alleges that this is the type of information that could have been and should have been disclosed earlier.

119. *August 9, 2001*: On August 9, 2001, Halliburton filed Form 10-Q with the SEC, in which it increased its accrued net liability for known open asbestos claims to $124 million (from $60 million on June 28, 2001, $30 million on March 31, 2001, and $29 million on Dec. 31, 2000). This

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80. *CNBC Squawk Box*, "Newscast: Squawk Box, 9:30 AM; today's business news," June 29, 2001.

is an instance where the Company released negative news, all of which concerned its potential asbestos liability. This disclosure caused a statistically significant decline in Halliburton's share price. That day Halliburton's stock price declined 4.48%, down from $33.50 to close at $32.00. The company-specific return that day is negative 5.2%, a statistically significant decline. This disclosure is related to Halliburton's misstatements and omissions—specifically those concerning the significance of Halliburton's exposure to asbestos liabilities.

120. The decline in Halliburton's stock price on August 9, 2001, was attributed to the information released in the 10-Q related to the Company's asbestos liability:

> Halliburton Co, the world's No. 1 oilfield services firm, saw its stock fall 4.5 percent on Thursday after the company released information showing a sharp increase in its asbestos litigation liability.
>
> Dallas-based Halliburton, headed until August 2000 by U.S. Vice President Dick Cheney, said it estimated its net liability for open asbestos claims against current and former Halliburton subsidiaries at $124 million as of June 30, 2001, up from $30 million on March 31, 2001 and $29 million on Dec. 31, 2000.
>
> The information, contained in a 10-Q filing with the Securities and Exchange Commission (SEC), hit Halliburton's stock which closed $1.50 lower at $32.

> "When you look at the growth in claims and you look at these numbers, we're concerned," said Scott Gill, an analyst with Houston-based energy investment bank Simmons & Co.
>
> Gill said the information about the asbestos claims—which date back to the 1970s—was far more detailed than the company had made in 10-Q statements in previous quarters.[81]

121. I have reviewed all of the news and analysts reports surrounding August 9, 2001, that are available to me at this time; I do not see other news or information that can explain the company-specific stock price decline on August 9, 2001, other than the asbestos-related disclosure. The stock price decline on August 9 was caused by information that partially corrected investors' prior erroneous assessments Halliburton's asbestos liability. Lead Plaintiff alleges that this is the type of information that could have been and should have been disclosed earlier.

122. *October 31-November 1, 2001*: After market close, on Tuesday, October 30, 2001, Halliburton announced that on October 26, 2001, a jury in Mississippi found Dresser (through Harbison) liable in two of six asbestos cases for total compensatory damages of $21.3 million ($10.7 million per plaintiff). The case was against three companies, and the total verdict was $150 million. This

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81. *Reuters News*, "Halliburton stock down as asbestos liability rises," August 9, 2001, 7:12 pm.

verdict had not yet been affirmed and a judgment had not yet been entered against the Company. The Company stated that it would "file post trial motions and vigorously appeal if the verdict is not set aside."[82] This is an instance where the Company released negative news, all of which related to Halliburton's misstatements—specifically the misstatements concerning the significance of Halliburton's exposure to asbestos liabilities. This disclosure caused a statistically significant decline in Halliburton's share price. On October 31, 2001, Halliburton's stock price declined 6.3%, down from $26.35 to close at $24.69. The company-specific return that day is negative 4.9%, a statistically significant decline. The Company's stock continued to decline 2.88% on November 1, 2001, to close at $23.98. The company-specific decline is 3.7%, a statistically significant decline because the market was up that day.

123. One analyst was surprised by the size of the award, and expected the news to have a negative impact on the Company's stock price:

> Six plaintiffs were each awarded $25 million and Dresser (through the Harbison-Walker (H-W) subsidiary) was found liable in two of the six cases for total compensatory damages of $21.25 million ($10.675 million per plaintiff). Potential 4Q2001E impact is small: $5mil or $3mil tax effected = less than $0.01/share hit. If appeal is unsuccessful, reserves could move up sharply.

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82. *PR Newswire*, "Halliburton Disputes Asbestos Claims," October 30, 2001, 8:05 pm.

> This jury award sets new precedents; the size of award is enormous ....
>
> Size of jury award was unexpected and is likely to have a negative impact on stock price tomorrow. We expect a vigorous defense by [Halliburton's] and remain optimistic that the asbestos liability will remain under control. Given the significant discount relative to its peer group, we believe that [Halliburton's] current stock price adequately discounts potential asbestos liability risk.[83]

124. I have reviewed all of the news and analysts reports surrounding the October 30 disclosure that are available to me at this time; I do not see other news or information that can explain the company-specific stock price decline on October 31 and November 1, 2001, other than the Company's asbestos-related disclosure on October 30. The stock price declines on October 31 and November 1, 2001 were caused by information that partially corrected investors' erroneous assessments Halliburton's asbestos liability. Lead Plaintiff alleges that this is the type of information that could have been and should have been disclosed earlier.

125. *December 4-7, 2001*: During the period December 4 through December 7, 2001, Halliburton disclosed recent

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83. A.G. Edwards, "Asbestos Case in Small Mississippi Town Yields $150 Million Jury Award Against HAL, MMM and Others—Vigorous Appeal Expected," October 31, 2001.

adverse asbestos jury verdicts in Form 8-K SEC filings and there was substantial discussion in the news and by analysts related to Halliburton's potential asbestos exposure. This is an instance where the Company released several pieces of negative news, all of which were concerning the asbestos claims. These disclosures caused statistically significant declines in Halliburton's share price.

126. On Tuesday, December 4, the Company filed Form 8-K with the SEC, in which it disclosed that a Texas District Court had entered a judgment against Dresser on a $65 million jury verdict rendered in September 2001.[84] In the same filing, the Company disclosed that the same district court also entered three additional judgments against Dresser in favor of 100 other asbestos plaintiffs in the aggregate amount of $35.7 million related to an alleged breach of a purported settlement agreement. The Company stated that it intended to appeal the three judgments "on the grounds that it wasn't a party to the settlement agreements and that it didn't authorize anyone to settle on its behalf. The company said it believes its appeal will be successful."[85]

127. On December 3, 2001, Halliburton's stock price closed at $22.06. On December 4, Halliburton's stock price

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84. This verdict was known to the public before December 4. For example, an analyst for Salomon Smith Barney referred to this verdict in his November 9, 2001 report.

85. *Dow Jones Corporate Filings Alert*, "Texas Court Enters $65M Verdict Against Halliburton," December 4, 2001, 8:45 am.

declined 0.73%. This is a statistically significant negative return because both the market and the industry were up that day. On December 5, Halliburton's stock price increased 0.46%, which also is a statistically significant negative return because both the market and the industry were up that day. On December 6, the stock declined 5.23%. This is not a statistically significant return because both the market and the industry were down that day. Halliburton closed at $20.85 on December 6.

128. On the morning of December 7, 2001, the Company filed Form 8-K with the SEC disclosing that on December 5 a Maryland jury had awarded a $30 million verdict against Dresser in favor of five plaintiffs in an asbestos litigation. The Company stated that it intended to "aggressively" appeal the verdict:

> The company said it believes the trial court committed numerous errors and that the evidence didn't support the verdict, according to the filing. The company intends to challenge the verdicts by post trial motion and, if those motions aren't successful, to pursue an appeal "aggressively."[86]

129. Several analysts issued reports that day in response to the Company's SEC filing. Analyst Geoff Kieburtz with Salomon Smith Barney downgraded his rating for Halliburton (to 3H from 1 M) and dropped his price target to $20 from $36 citing mounting asbestos liabilities:

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86. *Dow Jones Corporate Filings Alert*, "Jury Returns $30M Verdict against Halliburton Subsidiary," 8:17 am.

> This verdict comes on the heels of a $21 million Mississippi jury verdict, a $65 million judgment in Orange, Texas, and an additional $36 million, representing a settlement previously negotiated by Harbison-Walker. All of these cases pertain to Harbison-Walker, a former subsidiary. The company has indicated that in all cases that it believes the trial courts have committed numerous errors, and that it expects to prevail on appeal. While the stock heavily discounts Halliburton's asbestos exposure, the specter of lawsuits spiraling out of control is likely to adversely impact the stock for the foreseeable future, and thus we cannot recommend it at this time.[87]

130. Analyst Sen with Jefferies & Co. put his rating for Halliburton under review citing uncertainty regarding the asbestos litigations and near-term earnings risk:

> We have remained cautious on Halliburton for two main reasons: 1) uncertainty surrounding ongoing asbestos litigation, and 2) near-term earnings risk. ... These [asbestos related disclosures] are surprising developments following management's rather positive asbestos update during its 3Q01 conference call on October 23. During the conference call management had provided further assurances

87. Salomon Smith Barney, "HAL: Downgrading on Mounting Asbestos Liabilities," December 7, 2001.

> that current reserves are adequate to cover projected asbestos liabilities. We now believe that [Halliburton's] asbestos-related net liabilities could be significantly higher than currently estimated (estimated at $125 million by the company). We continue to remain cautious on the stock. Our rating is under review (with a negative bias) pending further update from management on asbestos.[88]

131. UBS Warburg analyst, James Stone, downgraded his rating for Halliburton to "Hold" from "Strong Buy" and reduced his 12-month target price to $24 from $38:

> While we do not anticipate that every claim filed against Halliburton will end up in court, in fact the vast majority of claims should continue to be settled at or near the company's historical settlement rates. Nevertheless, if only 1% of cases resulted in jury verdicts of a similar magnitude and the awards were upheld at the appellate level, the future liability would be significantly greater than our previous expectations.[89]

132. On December 7, 2001, Halliburton's stock price declined 42.4%, down from $20.85 to close at $12.00.

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88. Jefferies, "Halliburton: Update On Asbestos Litigation; Stay Cautious," December 7, 2001.

89. UBS Warburg, "Halliburton: Downgraded to Hold from Strong Buy," December 7, 2001.

The company-specific return that day is negative 42.7%, a statistically significant decline. Trading volume was almost 77 million shares that day, more than 22 times the average daily trading volume for Halliburton stock during the Class Period. Several news articles attributed the decline in Halliburton's stock price on December 7 to the recent asbestos disclosures.[90] I have reviewed all of the news and analysts reports surrounding December 4-7, 2001, that are available to me at this time; I do not see other news or information that can explain the company-specific stock price declines during December 4-7, 2001, other than the asbestos-related disclosures. The cause of the large decline in Halliburton's stock price on December 7 was directly related to the disclosures regarding its asbestos exposure and subsequent market assessments at to the possible financial consequences to the Company of that asbestos exposure. Lead Plaintiff alleges that this is the type of information that could have been and should have been disclosed earlier.

B. Summary of the Decline in Halliburton's Stock Price during the Class Period

133. The total decline in Halliburton's stock price was 72.0% from the start of the Class Period through December 7, 2001: from June 3, 1999, (the closing price was $42.88) to December 7, 2001 (the closing price was $12.00). (See Exhibit 14.) As can be seen in Exhibit 14, during the same period, Halliburton's industry rose 14.2% (from

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90. *See, e.g., The Wall Street Journal*, "Halliburton Stock Falls Nearly 43% After Recent Asbestos Verdicts," December 10, 2001.

$10.50 to $12.00) and the market fell 6.2% (from $12.80 to $12.00). (In Exhibit 14, the market and industry indices are indexed to $12.00 on December 7, 2001.[91]) Thus, the full decline in Halliburton's stock price during the Class Period cannot be attributed to the decline in the market or to the increase in the industry. Moreover, Lead Plaintiff does not allege that Halliburton's stock price should not have declined; Lead Plaintiff contends that Halliburton's stock price would have declined earlier had Halliburton's financial results been reported correctly and accurately and Defendants had correctly characterized Halliburton's potential asbestos liabilities.

134. My analysis shows that the partial disclosures related to the accounting and asbestos claims made by Halliburton during the Class Period caused the price of Halliburton to decline. Specifically, the partial disclosures related to its undisclosed losses from large fixed-price construction contracts and unrealized benefits from the acquisition of Dresser, caused a decline in Halliburton's stock price on October 5, 1999, January 5, 2000, October 25, 2000 and December 22, 2000. The partial disclosures related to Halliburton's asbestos liability caused a decline in Halliburton's stock price on June 29, 2001, August 9, 2001, October 31, 2001, November 1, 2001, December 4, 5 and 7, 2001. If Halliburton had timely reported its

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91. The value of Halliburton stock was $12.00 after at least several partial disclosures. It would be misleading to use Halliburton's stock price at the start of the Class Period as the point at which to anchor the market and industry indices because Lead Plaintiff alleges that if the stock price would have been at its true value, but for the alleged fraud, it would have been much lower.

operational problems and the full extent of its exposure to asbestos liability, the decline in the value of Halliburton stock that occurred during the Class Period would have occurred earlier when Lead Plaintiff alleges that Halliburton should have reported its operational problems and the full extent of its exposure to asbestos liability.

/s/_____
Jane D. Nettesheim

Appendix B

Appendix to Report of Jane D. Nettesheim: Regression Analysis and Event Study

1. I used regression analysis to determine the dates on which Halliburton's daily stock price returns are significantly different from the returns which would have been expected based on the returns on a market index and on an industry index of companies comparable to or competitors of Halliburton, and on the correlation of Halliburton's returns with market and industry returns.[1]

2. Regression analysis is a statistical tool commonly used by economists to estimate the relationships between two or more variables. In this case, the regression analysis is used to measure the relationship between the Halliburton stock returns and (1) changes in market-wide factors that would be expected to impact all stocks and (2) changes in industry-wide factors that would be expected to impact all stocks in a particular industry. By measuring how the stock returns of Halliburton move in relation to an overall market index and an industry index, I can also measure how it responds to news.

3. A period of time over which to estimate the regression equation, a control period, must be selected. It is important to select a control period that is representative of the Company during the Class Period. It also is important to select a control period with as little impact as possible from the fraud in determining

1. A daily return is the percentage change in Halliburton's closing share price from its closing share price on the previous trading day.

the normalized relationship between a company's stock returns and the returns on a market index and an industry index.[2] In this case, I used a control period from October 1, 1998 through September 30, 1999. This is a one-year period that begins shortly after the Dresser Merger, and overlaps approximately the first four months of the Class Period. The control period is typically a one-year period that occurs prior to the start of the Class Period. However, in this case, the control period must start after the Dresser Merger in order to reflect the stock price of the combined companies. The regression equation from the control period explains the expected variation in the Halliburton stock returns based on changes in the market and industry. The explained variation is measured by the square of the correlation coefficient, or r^2,[3] and the regression equation is statistically significant, as

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2. *See, e.g.*, Cornell, Bradford and R. Gregory Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review*, 37 (June 1990) 883, p. 898.

3. The correlation coefficient, r, is a dimensionless index that ranges from -1.0 to 1.0 inclusive and reflects the extent of a linear relationship between two data sets. The r-squared value can be interpreted as the proportion of the variance in the dependent variable attributable to the variance in the independent variables and ranges from 0 to 1.0. In this case, the dependent variable is Halliburton stock returns and independent variables are market index returns and industry index residual returns. The r-squared value measures the percentage of the total variance in Halliburton's stock return that is explained by the market and industry index returns. The r^2 is 77% for this regression; in these types of regressions, the usual range is from 0.10 to 0.50.

measured by the F-statistic.[4] The regression analysis and regression equation are provided in Exhibit 15.

4. The market index is a market capitalization weighted composite of all stocks traded on the NYSE, American Stock Exchange ("Amex"), and NASDAQ (the NYSE/Amex/NASDAQ composite index, or "NAN"). This broad-based market index is commonly used by economists as a representation of the market and the data are provided by CRSP.[5]

5. Many companies were considered for use in an industry index. Companies considered for the industry index include those that are referred to in analysts' reports as competitors or comparables to Halliburton, and

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4. The F-statistic is the result of a statistical test to determine whether a significant relationship exists between the dependent variable and the set of independent variables. Here the F-statistic is 415 and is significant at greater than the 99% level of confidence, *i.e.*, there is a greater than 99% probability that there is a statistically significant relationship between Halliburton stock returns and returns on the market and industry indices.

5. CRSP is the Center for Research in Securities Prices at the Graduate School of Business, University of Chicago.

constituents in certain Halliburton industry indices.[6] [7] A list of companies considered for, and those included in, the industry index is provided in Exhibit 16.

6. First, the daily stock returns for each company considered for the industry index were regressed on the market index returns during the control period, October 1, 1998 to September 30, 1999. The residual returns[8] from each of these regression equations were calculated. Halliburton stock's daily returns then were regressed as a dependent variable against the residual returns from each of these regressions as the independent variable,

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6. A company was considered for the industry index if it was listed in at least four of the following indices: Bloomberg Oil & Gas Services Index; Bloomberg United States Oil & Gas Services Index; FactSet's Index of Oil Service and Equipment Companies; Morgan Stanley Oil Services Index; Oil Service HOLDRS Index; Philadelphia Oil Service Sector Index; S&P 150 Super Composite Oil & Gas Equipment & Services Index; Standard and Poor's Supercomposite Energy Equipment & Services Index. A company was considered for the industry index if it was included in an analyst report as comparable to or a competitor to Halliburton.

7. Halliburton did not list specific competitors in its SEC filings: "We conduct business worldwide in over 100 countries. Since the markets for our services and products are vast and cross numerous geographic lines, a meaningful estimate of the number of competitors cannot be made." (Halliburton's SEC Form 10-K for 2001).

8. The residual return is the difference between the actual return on each day and the day's expected return calculated from a regression equation and is a measure of the portion of each daily return not explained by changes in the market index.

to determine whether they were significantly correlated (*i.e.*, to determine whether after excluding market effects each company's daily residual returns helped to explain the daily returns on Halliburton stock). Those companies whose daily residual returns are significantly and positively correlated with Halliburton stock's daily returns are included in the index.[9]

7. The industry index is formed from the returns of each of the companies whose residual returns are statistically correlated with Halliburton stock returns. The individual companies weighting in the industry index are according to their market capitalization. The industry index is regressed on the market index and the residual returns of the industry index are used in the final regression analysis.

8. Finally, daily Halliburton stock returns are regressed on daily market index returns and daily residual industry index returns for the control period. Halliburton stock's daily returns are statistically significantly correlated with the daily returns of both the market and industry indices, as indicated by the t-statistics for each index in Exhibit 15. The result of this regression is the

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9. Statistical significance is measured by the t-statistic of the regression coefficient of the residual returns of the competitor or comparable company in the regression equation. If the t-statistic is greater than 1.98, there is a 95% probability that the regression coefficient is not equal to zero, *i.e.*, it is not a spurious result, and that Halliburton stock returns are correlated with the residual returns of the competitor or comparable company. The 95% level of confidence is a measure frequently employed by economists to determine statistical significance.

regression equation that is used to estimate expected Halliburton stock returns; the results of the regression analysis and the regression equation appear in Exhibit 15.

9. Expected Halliburton stock returns are those changes in Halliburton stock prices due to market and industry factors, *i.e.*, stock prices can and do change when new information or valuation assessments can potentially change the values of all stocks in an economy (market effects) or in a particular industry (industry effects). On each day of the Class Period, the expected returns for Halliburton stock are calculated from the regression equation. The formula demonstrating how expected returns are calculated is shown on Exhibit 17. On each day of the Class Period, the difference between the actual Halliburton stock return and its expected return is a measure of the change in the stock price due to company-specific events.[10] Company-specific events include any news, analyst coverage, oral commentary, or other information that changes market participants' perceptions about the value of a company.

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10. The measure of significance is the z-statistic and is equal to: (actual return — expected return) / standard error. The standard error of the prediction measures the relative volatility of Halliburton stock returns compared to the predicted returns on Halliburton stock. The larger the standard error, the greater the residual return must be in order to be considered statistically different from its predicted return. If the z-statistic is greater than or equal to 1.96 or less than or equal to -1.96, the difference between the two returns is significantly difference from zero at the 95% level of confidence, *i.e.*, there is a 95% probability that the difference between the actual return and expected return is not equal to zero.

Appendix B

10. An event study is used to disentangle the effects of company-specific information from market and industry information—in other words, to determine whether news affecting Halliburton promptly caused a measurable share price reaction after accounting for general market and industry effects. An event study as applied to litigation has been described as:

> The execution of an event study is quite simple. It involves the identification of an event that causes investors to change their expectations about the value of a firm. The investigator compares a stock price movement contemporaneous with the event to the expected stock price movement if the event had not taken place. There are three basic steps in conducting an events study: (i) define the event window; (ii) calculate abnormal stock price performance around the event; and (iii) test for statistical significance of the abnormal stock price performance. ...
>
> For those events that are subject to leakage, defining the beginning of the event window can be problematic. ... Ideally, the first day of the event window corresponding to a[n event] would be the date on which investors began trading on news about the upcoming [event], regardless of whether the news was based on rumors, inside information, a Schedule 13D filing, or a public announcement [about the event]. In practice, this date is difficult to define and some degree of judgment is required generally based on

price and volume movements prior to the [event] announcement.

... [I]n many securities fraud cases the relevant information is revealed slowly over time, while during the same period investors receive other, sometimes unrelated, information about the firm(s) in question. In the latter case, it is relatively difficult to choose an appropriate window. The main advice is to carefully identify the exact dates during which the information is in question reached the market, and then restrict the window to a short period, if possible, generally two or three days around each release of new information. ...

In general, a test of significance aims to answer the question of whether an observed difference is real or simply occurred by chance.

... An often used convention is the five percent rule—[z-statistics] greater than or equal to 1.96 standard deviations from the mean value are considered significantly different from the typical value because there is only a five percent chance that a randomly selected value will be 1.96 or more standard deviations from the true mean. ... The decision rule may be more stringent. For example, ... a one percent likelihood ... if the z-statistic is greater than or equal to 2.58 ... A third commonly used decision rule is ten percent ... a randomly selected value

> will lie 1.65 standard deviation or more from the mean value. Generally, researchers use a decision rule based on one percent, five percent, or ten percent significance levels.
>
> ... the finding that the associated stock return is large enough to be statistically significant implies the information is material.[11]

11. The event study is provided as Exhibit 18. Exhibit 18 shows each day during the Class Period with the day's closing stock price, volume, stock return, titles of news articles,[12] indication of SEC filings, and titles of analyst reports. Based on the event study, I identified a total of 31 days with statistically significant stock price returns during the Class—Period—seven with statistically significant positive returns and 24 days with statistically significant negative returns. A discussion of the news and analysis from these dates follows.

12. *June 18, 1999*: On Friday, June 18, 1999, Halliburton's stock price declined 3.7% to close at $45.88. The company-specific decline is 4.1%, a statistically

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11. Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," *The Business Lawyer*, 49, 545.

12. Headlines were obtained from www.factiva.com. The entire articles are publicly available and are not included in Exhibit 18 in order to reduce the length of Exhibit 18. This Exhibit includes only those articles where "Halliburton" is mentioned in the title or lead paragraph.

significant decline.[13] There was no company-specific news on that day to explain the movement of the stock. However, on the following trading day, Monday, June 21, there was news that oil inventories were high and that this could put pressure on oil prices and, therefore, on values of oil companies and oil services companies.

13. On Monday, June 21, Halliburton's stock price continued to decline another 4.5% (the company-specific decline is not a significant decline because the industry was down that day). Monday's decline in the stock prices of oil companies and oil services companies was attributed to "the perception that recent price gains were at odds with current supply fundamentals:"

> Oil shares slipped as oil prices fell and as investors worried over second-quarter profits after a Wall Street analyst cut second-quarter earnings estimates for Exxon Corp. and Chevron Corp. ... Last week, the American Petroleum Institute (API) reported a 4.4-million-barrel increase in U.S. crude stocks, which pushed inventories to a two-month high of 337.3 million barrels.
>
> One Midwestern oil trader said the trading community thinks there is still too much oil around to justify the current high prices.

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13. The company-specific return is the stock return net of the expected return based on market index and industry index returns.

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> Oil prices peaked at $19.05 on May 5 and then fell as low as $16.21 on June 1. Crude oil has since climbed back up, but last week, it started slipping down again after the most recent weekly buildup in crude stocks and, as refiners, plagued by low margins, adopted economic cuts in production runs.
>
> The shares of oil companies followed oil future contract prices lower, especially after ABN AMRO Inc. analyst Eugene Nowak said he cut second-quarter earnings estimates for Exxon and Chevron, due to poor refining conditions.
>
> Oil-service stocks that lost ground Monday included Halliburton Co., down $2.0625 to $43.8125; Kerr McGee Corp., down $1.50 to $49.9375, and Schlumberger Ltd., down $1.4375 to $63.[14]

Halliburton stock price declines on June 18 and 21, 1999 are consistent with reported concerns related to declines in oil prices.

14. *October 5, 1999*: After market close, on Monday, October 4, 1999, Halliburton announced that Dresser had elected to sell its interests in two joint ventures.[15]

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14. *Reuters News*, "Oil prices retreat, dragging share prices down," June 21, 1999, 6:36 pm. (Times listed herein are Eastern Time.)

15. Halliburton held an invitation-only conference call with analysts. *Dow Jones Business News*, "Halliburton Sells Stakes In Joint Ventures For $1.1 Billion," October 4, 1999, 7:43 pm.

The Company said it would receive approximately $1.1 billion in cash in the deal. The Company also warned that it expected its 1999 third-quarter earnings to be in the range of 11 to 13 cents per diluted share. The previous average analyst estimates was 19 cents per share. The Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group.[16]

> [Halliburton] shares could slip in Tuesday morning trading due to its earnings warning. The oil driller said that its Dresser Equipment Group business segment and its Engineering and Construction business segment are warning of lower profits. As a result, Halliburton expects a third quarter profit between 11 and 13 cents a share, while analysts currently expect a profit of 19 cents a share. Halliburton also announced that its subsidiary Dresser Industries will sell its interests in two joint ventures to Igersoll-Rand [*sic*] Co. for a total of $1.1 billion. The sales will result in a one-time fourth-quarter gain of 84 cents a share. Shares closed down 2 1/16 to 39 3/4 ahead of the news.[17]

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16. *Reuters News*, "Halliburton to Exit Two Ventures, Sees Lower Q3 EPS," October 4, 1999; 5:23 pm.; Halliburton SEC Form 8-K filed October 4, 1999.

17. *CBS MarketWatch.com*, "Earnings Advisories," October 4, 1999, 6:11 pm.

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15. On October 5, 1999, Halliburton's stock price dropped 13.2% to $34.50. The company-specific return is -9.0%, a statistically significant negative return. News commentary and analysts attributed the decline in Halliburton's stock price that day to the reduction in the Company's near-term expected earnings.[18]

> Shares of Halliburton Co. plunged 13.2 percent Tuesday after the company said its Dresser Industries unit will sell its stake in two joint ventures to Ingersoll-Rand for $1.1 billion, after poor performance by the businesses hurt third quarter results.
>
> Dresser Industries decided to sell the interests amid the Dresser Equipment Group segment's poor current and projected financial performance at D-R and at IDP. D-R is expected to report an operating loss in the third-quarter while the entire business segment forecasts weaker operating results, compared to previous predictions, for the third and fourth quarters.
>
> Analysts appear to agree that Halliburton's sale of the poor-performing joint ventures was a good move and that the earnings shortfall will be temporary.

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18. *See, e.g.*, Dain Rauscher Wessels, "Halliburton Selling Joint-Venture Interests; Expects To Miss Previous Third-Quarter Guidance," October 5, 1999; *Dow Jones Business News*, "Earnings Warning Pressures Shares Of Oil-Services Firm Halliburton," October 5, 1999, 11:26 am.

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> In a research note, analyst James Stone of Schroders said Halliburton's move is "a better-than-expected outcome" for the company and even though "it will negatively affect earnings in the fourth quarter and for at least part of 2000, it is a much better scenario than having bought out Ingersoll-Rand."
>
> Stone reduced his third-quarter earnings-per-share estimate to 12 cents from 21 cents, but noted that the sale's impact on the company is short-term and will ultimately be to Halliburton's advantage.
>
> Additionally, Arvind Sanger, analyst at Donaldson, Lufkin & Jenrette downgraded his third-quarter estimate to 12 cents a share from 18 cents, fourth-quarter earnings-per-share estimate to 18 cents from 28 cents. However, in his research note, he maintained a "buy" rating on the company's stock, viewing the sales as "a good strategic move."[19]

Analysts lowered their forecasts after the Company's earnings warning. For example:

> *Deutsche Banc Alex. Brown:*
>
> We view the recent announcement by Halliburton that the company will sell its

19. *CBS MarketWatch.com*, "Halliburton to sell interests in two joint ventures; issues third-quarter earnings warning," October 5, 1999, 8:06 pm.

interests in [Dresser-Rand and Ingersoll-Dresser Pumps] as a strategic positive given that oil services will account for an increasing proportion of Halliburton's future earnings. We estimate that the sales of the interests to Ingersoll Rand will be dilutive to Halliburton's estimated 2000 earnings given that projected net cash proceeds of about $630 million will likely be used near term to pay-down the company's short-term debt.

In light of the company's 3Q99 earnings pre-announcement on October 4, we are reducing our 1999 EPS estimate from $0.69 to $0.59 to primarily reflect likely lower Energy Service and Dresser Equipment Group earnings. Of the $98 million (or 15%) reduction in Halliburton's estimated 1999 operating income, about $34 million (or 35%) was attributable to lower Energy Services income (due to lower non-North American rig activities) and $62 million (or 63%) was due to lower estimated Energy Equipment earnings (due to much lower results at D-R and IDP).[20]

CIBC:

We have revised our estimates for 3Q and 4Q99 to $0.12 and $0.18 from $0.18 and $0.25, respectively. We are preliminarily raising our

20. Deutsche Banc Alex. Brown, October 5, 1999.

> 2000 and 2001 estimates to $1.56 and $2.15 from $1.49 and $2.08, respectively. We reiterate our Buy rating and 12- to 18-month price target of $56.
>
> The sale of the joint-venture interest comes as a major surprise to Wall Street, which assumed [Halliburton] wanted to own the compressor and pump businesses. ... Reducing financial leverage and creating potentially accretive earnings transactions made the sale decision mandatory, from the point of view of shareholder value creation.
>
> The company's announcement of weakness across virtually every business line in 3Q is not surprising, given the slower than anticipated oilfield industry recovery. [Halliburton] is merely the latest company to confess to this situation.
>
> We believe a significant disconnect exists between oilfield service stock prices and improving industry fundamentals. ... [21]

16. *October 15, 1999*: On Friday, October 15, 1999, Halliburton's stock price was down 5.78% to close at $34.63. The company-specific return was -3.6%, a statistically significant decline. The stock price continued to decline another 2.17% on Monday, October 18 (this is not

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21. CIBC World Markets, October 5, 1999.

a statistically significant decline). There was no company-specific news on that day to explain the movement of the stock. On October 18, Schlumberger Ltd., which at that time was world's second biggest oilfield services company (second by revenues to Halliburton), reported third quarter earnings which fell 60 percent compared with the prior year but rose four percent from the previous quarter "as firm oil and gas prices fuelled a modest industry recovery."[22] While Schlumberger's stock rose that day, news commentators noted that "Most other stocks in the same sector closed lower, with the OSX oilfield services index down down [*sic*] 2.43 points at 68.17."[23]

17. *October 27, 1999*: On October 27, 1999, Halliburton's stock price declined 3.4%; the company-specific return was -3.5%, a statistically significant decline. On that day, an analyst at Brown Brothers Harriman lowered her estimates for fourth quarter 1999 and for the year 2000.

> Following the company's third quarter earnings announcement last week, we are making the following adjustments to our earnings estimates: For 1999, we are increasing our full-year estimate by a penny to $0.66 from $0.65 to reflect the $0.02 better-than-expected third quarter results ($0.13 compared to our $0.11 estimate), offset by a $0.01 reduction

22. *Reuters News*, "Schlumberger says Q3 earns fall but worst is over," October 18, 1999, 1:27 pm.

23. *Reuters News*, "FOCUS—Schlumberger says earns fall but worst over," October 18, 1999, 5:12 pm.

to our fourth quarter estimate (to $0.16 from $0.17). For 2000, we are reducing our 2000 EPS estimate to $1.10 from $1.25 to reflect lower earnings contributions from the company's Dresser Equipment Group and, to a lesser extent, lower projections for the Energy Services group. For 2001, we are lowering our forecast modestly to $1.75 from $1.80, reflecting lower earnings at the Dresser Equipment Group. The estimate reductions in the Dresser Equipment Group reflect Halliburton's planned sale of its interests in its two joint ventures (51%-owned Dresser Rand and 49%-owned Ingersoll Dresser Pump); we now forecast operating income of $136 million versus $236 million previously. The estimate reduction in the Energy Services area reflects less aggressive margin assumptions in 2000 (7.6% versus 8.8% previously). In comparison, consensus estimates currently are at $0.16 for fourth-quarter 1999; $1.19 for 2000 and $1.78 for 2001. Despite our estimate reductions, we remain enthusiastic about the recovery and Halliburton's earnings prospects. Consequently, we are reiterating our Buy/Buy ratings on the shares.[24]

18. The small but significant price decline on October 27, 1999 is consistent with the analyst's reduction in estimates while maintaining her Buy ratings.

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24. Brown Brothers Harriman & Co., "HAL: Reducing Estimates; Maintaining Buy," October 27, 1999.

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19. *January 5, 2000*: On Wednesday, January 5, 2000, Merrill Lynch analyst Simpson cut his estimates of Halliburton's earnings for 2000 and 2001, and downgraded the Company's intermediate-term rating on the stock to "Accumulate" from "Buy," while retaining the long-term buy rating. Simpson attributed the cut to "reduced expectations for offshore construction results, a reduced growth estimate for oilfield spending outside North America and 'less powerful synergies from the Dresser merger than he had envisioned.'"[25] Analyst Carol Lau with Brown Brothers Harriman & Co. also reduced her fourth-quarter 1999 and 2000 EPS estimates following a conversation with the company that morning.[26] On January 5, 2000, Halliburton's stock price dropped 4.38% to $36.81. The company-specific return was - 4.3% that day, a statistically significant negative return.

20. *January 10, 2000*: On Monday, January 10, 2000, an analyst at A.G. Edwards reduced his earnings estimates for 2000.[27] Halliburton's stock price was down

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25. *Reuters News*, "Research Alert—Halliburton Estimates Cut," January 5, 2000, 9:59 am.

26. Brown Brothers Harriman & Co., "HAL: Reducing Estimates; Maintaining Buy Ratings," January 5, 2000.

27. On Friday, January 7, 2000, BJ Services, a major competitor in the pressure pumping business, pre-announced its quarterly earnings, stating earnings would be stronger than expected due to a strong recovery in North American drilling activity. Analysts stated on Monday that they expected that Halliburton would also benefit from the stronger market. On Friday, Halliburton's stock price was up 6.02% (this is not a

4.0% to close at $39.06. The company-specific decline that day is -3.9%, which is a statistically significant decline.

> We believe the sequential improvement that Halliburton has experienced in its ES segment in late 1999 has positive implications for oilfield service activity levels in 2000. We believe that the industry is turning the corner and North America will continue to drive near-term quarterly earnings growth. In the second half of 2000, we expect Halliburton's international ES business and [Engineering and Construction] businesses to add fuel to the recovery. Although major oil companies are increasing upstream budgets, the underlying commodity price assumptions appear very conservative and the year could get off to a slow start. If commodity prices are favorable, which we expect, a positive surprise in the trend in capital spending is likely. Although we expect a pickup in international markets in 2000, it will be heavily weighted toward 2H2000. As a result, we are lowering our 2000 EPS to $1.00 from $1.05.[28]

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significant increase because both the market and the industry were up that day).

28. A.G. Edwards & Sons, Inc., "North America Continues to Lead—Positive BJS EPS Pre-Announcement," January 10, 2000; SunTrust Robinson Humphrey Capital Markets, "Oil Services Industry—BJS Pre-Release & Positive Implications," January 10, 2000.

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21. *January 12, 2000*: On Wednesday, January 12, the Houston Chronicle reported that "Oil-field service companies' earnings are also expected to be a mixed bag. Weatherford International, Smith International, Halliburton and Schlumberger are all projected to earn less in the 1999 fourth quarter than they did the year before."[29] On January 12, Halliburton's stock price was down 6.79% to close at $37.75. The company-specific decline that day is -3.6%; this is a statistically significant decline.

22. On Tuesday, January 11, an analyst with Deutsche Banc Alex. Brown reduced his 2000 and 2001 EPS estimates for Halliburton to $0.94 (from $1.05) and to $2.00 (from $2.15), respectively, "based on a recent conversation with Halliburton management." The reductions were "entirely due to a likely slower earnings recovery at Brown & Root Energy Services (BRES), Halliburton's offshore construction (marine fabrication/installation and pipelay services), subsea services, pipecoating services, and flexible pipe manufacturing division."[30]

23. *February 10, 2000*: On Thursday, February 10, 2000, Halliburton's stock price was down 0.18% to close at $35.44. The company-specific decline is -5.1%, a statistically significant decline. This company-specific decline is driven by the industry and the market, both

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29. *Houston Chronicle*, "How energy industry fared / Oil profits reveal mixed results / Major integrated companies best at riding out energy cycles," January 12, 2000.

30. Deutsche Banc Alex. Brown, "Halliburton—Reducing 2000/01 EPS Estimates," January 11, 2001.

of which were up that day.[31] There is no other company-specific information at this time that can explain why Halliburton's stock price was down, if modestly, when the market and industry were up.

24. *February 25, 2000*: On Friday, February 25, 2000, Halliburton's stock price declined 4.9% to close at $33.69. The company-specific decline is 3.6%, a statistically significant decline. There was speculation regarding an upcoming meeting between the then- U.S. Energy Secretary and the oil minister for Saudi Arabia:

> Oil stocks performed well in anticipation of Saturday's meeting between Ali al-Naimi, the oil minister for Saudi Arabia, the world's biggest oil producer, and U.S. Energy Secretary Bill Richardson. The two leaders will meet to discuss a wide range of oil supply issues that recently have sent oil and gasoline prices sky-high. ...
>
> Oil services companies closed down for the day, with Halliburton (NYSE:HAL) falling 1 3/4 (-4.94%) to 33 11/16 and Schlumberger (NYSE:SLB) dropping 1 7/16 (-2.10) to 67.[32]

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31. Also that day, ING Barings issued a positive report regarding Halliburton's earnings results which were released on January 27, 2000 (entitled "Strong U.S. Oilfield Boosts Results Above Expectations").

32. *Business Wire*, "SmartPortfolio.Com Announces Investment Opinion," February 26, 2000, 8:25 am ("Stock prices are reflective of February 25, 2000 at 5:30 PM, EST").

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Although there was no company-specific information on February 25 to explain the decline that day in the stock, analysts commented on the recent poor performance in the stock prices of oil service companies:

> We like oil stocks and oil service stocks, companies like ARCO and Phillips, Baker Hughes, Schlumberger and Halliburton. These stocks haven't moved because of nervousness over long-term oil prices. But it looks like oil will hold above $20 a barrel for a good while.[33]

25. *May 2, 2000*: On Tuesday, May 2, 2000, Halliburton's stock price rose 7.06%, to close at $47.38. The company-specific return was 3.7%, a statistically significant increase. News commentators attributed the gain in Halliburton's stock price to OPEC's anticipated decision to not increase production quotas:

> [Traders] did have some opportunities to play off one piece of encouraging news, as crude-oil prices rose on expectations that the Organization of Petroleum Exporting Countries won't increase production quotas at its June meeting. An output increase, of course, would have hurt pricing. ...
>
> Oil-service stocks also improved in the session. Halliburton rose 3 1/8 to 47 3/8. Schlumberger

33. *Austin American-Statesman*, "When less will become more: Looking for value stocks' rebound," February 26, 2002.

> gained 2 9/16 to 77 9/16. Transocean Sedco Forex moved up 2 to 49 5/16.[34]

26. *May 19, 2000*: On Friday, May, 19, 2000, Halliburton's stock price rose 2.52% to close at $50.88. The company-specific return that day is 3.9%, which is a statistically significant increase because the market was down that day. There was no company-specific information on May 19 to explain the increase that day in the stock, although analysts later commented on the recent increase in the stock prices of oil service companies. For example, on the following Monday, May 22, an analyst with Donaldson, Lufkin & Jenrette raised his 12-month price target for the Company to $57 from $51, and raised his EPS estimate for 2001 "to reflect the assumption of more accretive acquisitions than [his] prior assumptions and secondarily to reflect a stronger oilfield recovery than [he] had anticipated."[35]

27. *May 30, 2000*: On Saturday, May 27, the weekly financial newspaper *Barron's* issued a positive report on Halliburton, stating it expected Halliburton's stock price to recover over the next 18 months:

> Oilfield stocks are rallying. The major energy companies will likely reopen their wallets soon.

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34. *The Wall Street Journal*, "AT&T's Profit Warning Reverses Gains Seen in Tech, Telecom Issues," May 3, 2000.

35. Donaldson, Lufkin & Jenrette, "Raising 2001 Ests. and Target Price Based on Acquisition and Stronger Oilfield Recovery Assumptions; Lowering Rating to Market Performance on Valuation," May 22, 2000.

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> So why do shares of Halliburton, the world's second-largest oil-service outfit, lag? The short answer is that the Dallas-based company gets about 70% of its revenues from the international market, where exploration and production have yet to take off. Moreover a large part of Halliburton's business is in engineering and construction activities that traditionally begin to pay off late in the oil cycle. In other words, the very things that are holding the stock back now are likely to power it higher over the next 18 months or so.[36]

On Tuesday, May 30, 2000,[37] an analyst at Jefferies & Company, Inc. raised its price target for Halliburton:

> We are maintaining our Accumulate rating on Halliburton Company, however, we are raising our price target on Halliburton to $56 per share from $50 per share based on recent positive developments at the Company and continuing signs that the Company's earnings are poised to turn higher. ... There is no question that most of the investment news surrounding Halliburton has been very positive in the last six months, however, Halliburton must continue

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36. *Dow Jones International News*, "Barron's: Gusher Ahead: Expect Halliburton's Profits—And Its Share Price—To Continue Rising," May 27, 2000, 2:01 am.

37. The U.S. stock markets were closed Monday, May 29, 2000, in observance of Memorial Day.

> to demonstrate that the Company can achieve projected peak earnings potential due to higher drilling, and engineering and construction activity, favorable management decision making and the favorable reinvestment of free cash flow into new opportunities. Should Halliburton meet these criteria, the stock can reach or exceed our new price target.[38]

On May 30, 2000, Halliburton's stock price rose 4.7%, to $49.00. The company-specific return was 3.6% that day, a statistically significant positive return.

28. *June 8, 2000*: On Thursday, June 7, 2000, an analyst with Donaldson, Lufkin & Jenrette met with the Company. The analyst's report was issued on Friday, June 8, based on that meeting, in which he lowered his estimate for second-quarter operating earnings for the Company by a penny to 64 cents:

> Donaldson, Lufkin & Jenrette analyst Arvin Sanger on Friday lowered his second quarter operating earnings on oil exploration giant Halliburton by a penny after a meeting with the company's management Thursday.
>
> In a research report, Sanger lowered his estimate to 11 cents to reflect a still-sluggish engineering and construction environment,

38. Jefferies & Company. Inc., "Halliburton Company: Raising Price Target To $56," May 30, 2000.

> bringing the full-year estimate down a penny to 64 cents.
>
> "We are a little ahead of the Street," said an analyst in the group about the adjustment to Halliburton's second quarter earnings.[39]

On June 8, 2000, Halliburton's stock price was down 1.84%, to $46.63. The company-specific return was -3.5% that day, a statistically significant negative return because the industry index was up that day.

29. *October 6, 2000*: On October 5, 2000, Owens-Corning, a maker of fiberglass insulation and other building products, filed for bankruptcy protection "after it ran out of options to pay asbestos lawsuit claims that could eventually cost the company $7 billion."[40] The October 9 edition of Barron's discussed Halliburton's asbestos litigation exposure in light of the Owens-Corning situation:

> Halliburton's exposure so far has been slight compared to Owens-Corning and others. The oil-services concern paid out a total of $99 million in claims through the end of 1999, with all but $23 million covered by insurance. In

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39. *Reuters*, "Research Alert—DLJ trims Halliburton Q2 operating earns by a pen [*sic*]," June 9, 2001, 9:21 am.

40. *Associated Press Newswire*, "Owens Corning seeks bankruptcy protection to cope with asbestos claims," October 5, 2000, 9:36 am.

its 10K and latest 10Q filing, Halliburton says Dresser has insurance covering "in whole or in part" its asbestos liability, and that it believes "pending asbestos claims will be resolved without material effect on our financial position or results of operations." This language and the relatively modest claims payments to date suggest the company doesn't have a meaningful problem.

One potential thorn could come from a former division of Halliburton, Highlands insurance, which provided coverage to Brown & Root. Highlands sued Halliburton in April, arguing that Halliburton assumed liability for asbestos claims filed after the Highlands spinoff in 1996. Halliburton has countersued, arguing that the Brown & Root exposure is Highlands' problem. Highlands has $162 million in statutory capital, an amount Halliburton says should be enough to pay remaining asbestos claims. Halliburton had 107,000 open cases at the end of June.

Given Halliburton's market value of $20 billion and its financial strength, even a worst-case asbestos scenario probably wouldn't be significant. But the asbestos issue could get more attention in the months to come at Halliburton and elsewhere.[41]

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41. *Barron's*, "Financials, Broadcasters Sideswiped in Latest Tech Wreck," October 9, 2000.

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On October 6, 2000, Halliburton's stock price was down 5.0%, to $43.94. The company-specific return was -3.8% that day, a statistically significant negative return.

30. *October 23, 2000*: On Monday, October 23, 2000, Halliburton reported that its Brown & Root Services unit was a target of the federal grand jury investigation. On that day, Halliburton's stock price was down 6.5%, to close at $41.19. The company-specific return was -3.5% that day; this is a statistically significant decline.

> Halliburton Company (NYSE: HAL) stated today that one of its business units, Brown & Root Services ("BRS"), is a defendant in civil litigation pending in federal court in Sacramento, California, alleging that it violated certain provisions of the False Claims Act while performing work for the U.S. Army at Ft. Ord in California (the "Qui Tam" litigation). This lawsuit was filed by a former employee in 1997. BRS has denied the allegations and is preparing to defend itself at trial, which is expected to occur in late 2001. Halliburton believes that the outcome of this civil litigation will not have a material adverse impact on it.
>
> Although in 1998 the U.S. Department of Justice declined to join the Qui Tam litigation, it has now advised BRS that BRS is the target of a federal grand jury investigation regarding the contract issues raised in the Qui Tam litigation. In addition, BRS has been served

> with grand jury subpoenas, which require the production of certain documents relating to the Ft. Ord contract. BRS is cooperating in the investigation and believes that it has acted in accordance with the law and the Ft. Ord contract. At the present, the Department of Justice has not made any specific allegations against BRS.[42]

31. *October 24, 2000*: On October 24, 2000, Halliburton's stock price was up 1.06%, to close at $41.63. The company-specific return was 4.2% that day; this is a statistically significant increase because both the market and the industry were down that day. There is no company-specific news on this day.

32: *October 25, 2000*: After market close, on October 24, 2000, Halliburton announced that it intended to restructure and shrink its engineering and construction units into a single unit. The changes would "put some major businesses, including construction giant Kellogg Brown & Root and Brown & Root Services, under one management." Lesar said that:

> [T]he engineering and construction units have been hurt because customers have been slow to move ahead with major construction projects and that profits have been unsatisfactory.

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42. *PR Newswire*, "Brown & Root Services to Defend Civil Litigation," October 23, 2000, 2:00 pm.

> ... Kellogg Brown & Roots profits have been adequate so far because that unit has been working through a backlog of projects.
>
> However, its profit margins will erode as it finishes projects and customers continue to delay decisions on major new construction.
>
> The announcement, made toward the end of Halliburton's discussion of third-quarter earnings, overshadowed the company's sharply improved profits. The company said it earned $157 million in the three months ended Sept. 30, up 171 percent from the same period in 1999. The results equaled 35 cents per share diluted on $3.02 billion in revenue. In third quarter 1999, Halliburton earned $58 million, or 13 cents a share, on revenue of $2.97 billion.[43]

33. The announcement by the Company on October 24 prompted certain analysts to cut earnings forecasts.

> Shares of oil-services firm Halliburton Co. slumped Wednesday after the company announced a restructuring of its engineering and construction units.
>
> Company officials said after the close of markets Tuesday that a slowdown in new orders was threatening profits in the units.

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43. *Knight Ridder Tribune Business News*, "Dallas-Based Halliburton Co. to Combine Engineering, Construction Units," October 25, 2000.

Appendix B

ING Barings lowered its rating on the stock from "buy" to "hold," Southwest Securities downgraded from "buy" to "accumulate," and Dain Rauscher Wessels said that because of "too many uncertainties" in the non-oilfield units investors should focus on purely oil-service stocks.

In trading Wednesday morning, Halliburton shares were down $5.13, or more than 12 percent, to $37.06.

The Dallas-based company, which was led until August by Republican vice presidential candidate Dick Cheney, said it plans to restructure and shrink its engineering and construction businesses into a single unit.

The company made the announcement while releasing its third-quarter results. Halliburton said excluding one-time items, it earned $109 million, or 24 cents per share, a penny better than expected by analysts surveyed by First Call/Thomson Financial. Revenue was $3 billion.

Chairman and chief executive Dave Lesar the company is not satisfied with profits in the engineering and construction business, as customers have delayed major projects.

Lesar said profit margins at Kellogg Brown & Root will shrink as it finishes a backlog of jobs

and customers delay decisions on major new construction.[44]

34. Several analyst reports were released on October 25.

> Merrill Lynch analyst Kevin Simpson said he had cut his estimate of Halliburton's 2001 earnings per share to $1.30 from $1.50 but was maintaining an accumulate rating on the stock.
>
> "The engineering and construction side of the business is turning much more slowly than they had expected and than I had expected," he said.
>
> Mark Kellstrom, an analyst with Jefferies & Co., said he thought the market had overreacted by driving down Halliburton's stock so much. He maintained a buy rating for the stock and kept his 2001 earnings per share estimate unchanged at $1.65.
>
> "At this point engineering and construction is not a big driver of the company's earnings," he said.
>
> Kellstrom said continuing recovery at Halliburton's oilfield services business could

44. *Associated Press Newswires*, "Halliburton stock slides on news of restructuring, slowing projects," October 25, 2000, 12:24 pm.

> more than make up for the decline in earnings from engineering and construction.
>
> "The company's long-term earnings power is still intact," he said.[45]

35. Analyst James K. Wicklund with Dain Rauscher Wessels released a report that day that stated that Halliburton's third-quarter EPS beat expectations, but "[m]ore interestingly, the company announced a major restructuring of its Engineering and Construction Group which continues to show disappointing results." He stated:

> We applaud the company's attempt to improve the results of the ECG and believe that the ESG is well positioned to benefit from the continued oilfield services cyclical recovery with strong market positions in several products/services segments. However, we believe there are too many uncertainties regarding the recovery in the non-oilfield service businesses. We recommend investor's focus on pure-play oilfield service stocks that are more highly leveraged to the continued cyclical recovery. We continue to rate the stock Neutral.[46]

The report also states that the "expected increase in international activity is materializing at a much slower

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45. *Reuters News*, "Update 2—Halliburton stock hit by engineering slowdown," October 25, 2000, 4:26 pm.

46. Dain Rauscher Wessels, "Halliburton Reports: Announces Major Restructuring Initiative," October 25, 2000.

rate than originally anticipated [and i]nvestor concerns of asbestos liabilities may dampen investor's interest in the stock until the ultimate outcome becomes more clear. Wicklund reduced his fourth-quarter estimates to "reflect the increasing weakness in the engineering and construction business and the slower-than-expected increase in international activity."

36. Analyst Allen Brooks with CIBC stated in his report that day:

> We are maintaining our Buy rating but reducing our price target to $50 from $56. We anticipate much market confusion due to the uncertainty about future earnings, the valuation of the stock and what Halliburton may look like in the future. ...Our basic conclusion is that the stock price can move higher over the next 12 months given the strength of the oilfield service industry recovery, especially internationally where Halliburton derives 64% of its business. The stock price may go lower first, however.
>
> The shock in the conference call was management's statement that, given the outlook for customer spending in the shallow water marine construction market and the downstream [Engineering and Construction] business, it is not sure that Halliburton has the critical mass to generate consistent and predictable profitability and profit growth from these sectors. Management believes

> the stock is being punished for the lack of this predictability. Therefore, it will look to a significant restructuring of these businesses with an eye to achieving this goal during 2001. We could envision a substantial shrinking of these operations as they are presently constituted. In the end, the company should produce better returns on capital that should produce an improved valuation. The issue is how long it will take to accomplish this goal and what the nearterm costs are.[47]

37. Analyst Fratt with A.G. Edwards & Sons, Inc. stated that Halliburton's EPS was ahead of expectations "due to strong North American drilling market," but that the "near-term outlook [was] less robust." Fratt lowered his estimates for the Company to "reflect weaker [Engineering and Construction] business," concluding that the "[r]estructuring is positive and oilfield service recovery continues." Fratt reiterated his "Accumulate/ Aggressive" rating for the Company.[48]

38. Analyst Asit K. Sen with ABN AMRO stated:

> Strong performance from the oil field services business ... were essentially offset by weaker

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47. CIBC, "Weak E&C Outlook Prompts Restructuring; Reducing Estimates," October 25, 2000.

48. A.G. Edwards & Sons, Inc., "North America Drives Positive Earnings Surprise—Lowering Estimates to Reflect Weaker E&C Business," October 25, 2000.

> results from the Engineering and Construction (E&C) business. ... The company indicated that it is embarking on a strategic restructuring program to improve results from the E&C business that we view positively. ... We are lowering our 2000 EPS estimate to $0.55 (from $0.58) and 2001 estimate to $1.35 (from $1.50).[49]

39. In a later report that day, Sen of ABN AMRO stated that the Company's shares "were off as much as 18% this morning following management's cautious comments on the outlook of the Engineering and Construction (E&C) business. We view this as an overreaction."[50]

40. On October 25, 2000, Halliburton's stock price declined 10.96%, to close at $37.06. The company-specific return that day is negative 6.6%, a statistically significant decline. Trading volume was 25.35 million shares that day, more than 7 times the average daily trading volume for Halliburton stock during the Class Period.[51]

41. *December 18, 2000*: On December 18, 2000, Halliburton's stock price was up 4.03% to close at $38.75. However, the company-specific return that day is negative

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49. ABN AMRO, "HAL: Lowering 2000 and 2001 Earnings Estimates," October 25, 2000.

50. ABN AMRO, "HAL: Bruised But Not Broken—Sensitivity Analysis," October 25, 2000.

51. The average daily trading volume for Halliburton stock during the Class Period was 3.46 million shares.

3.76%, a statistically significant decline because the industry was up sharply that day. There was considerable positive industry news on December 18, 2000, which was reflected in Halliburton's share price, but not to the same extent as industry peers.

42. Moody's Investors Service issued a press release stating it expected the oil services industry to recover by the end of 2001:

> Improving fundamentals have created a generally stable to positive rating outlook for the oil services industry, according the new Moody's Investors Service annual outlook for the sector. Moody's also believes consolidation among these companies will continue.
>
> "We expect the overall sector to recover by the end of 2001, based on strong oil and natural gas prices and higher budgeted capital spending by major oil companies, national oil companies, and independent E&P companies," says Moody's vice president and senior credit officer Alexandra Parker, author of the outlook.[52]

43. Also that day, analyst Geoff B. Kieburtz with Salomon Smith Barney issued a positive report on the oilfield equipment and services industry in which he

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52. *Dow Jones Newswire*, "Moody's: Stable To Positive Outlook For Oil Service Indus," December 18, 2000, 11:21 am.

recommended Halliburton's stock for investors seeking exposure to the accelerating international recovery.[53]

> The investment bank's comments contributed to a jump in oilfield service stocks, with the main index for the volatile sector showing a gain of almost 8 percent by early afternoon. ... [54]

Lehman Brothers Holdings Inc. also issued a positive sector report that day.

> The positive outlook from analysts at Lehman Brothers Holdings Inc. and Citigroup's Salomon Smith Barney touched off a rally among the stocks of oilfield-service and equipment companies, which make their profit from spending on exploration-and-drilling projects. ... Sector bellwethers Schlumberger Ltd. (SLB) and Halliburton Co. (HAL) also posted gains of $5.06, or 7%, to $77 and $1.50, or 4%, to $38.75, respectively. [55]

44. *December 22, 2000*: On Thursday, December 21, 2000, Halliburton pre-announced fourth-quarter earnings and formally unveiled the restructuring of its engineering

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53. Salomon Smith Barney, "Oilfield Equipment & Services; 19th Annual E&P Spending Survey Forecasts 20.2% Growth in 2001," December 18, 2000.

54. *Reuters News*, "Research Alert—Salomon sees E&P spending growth," December 18, 2000, 1:03 pm.

55. *Factiva Energy Digest*, December 19, 2000, 8:59 am.

and construction units. The press release stated that it planned to take a charge of $120 million in the fourth quarter, the bulk of which was due to cost overruns at several overseas projects.[56]

> [Halliburton will] record[] approximately $120 million after tax charges in the fourth quarter related to restructuring and charges on projects of the engineering and construction businesses. Both Brown & Root Energy Services and Kellogg Brown & Root are impacted by the charges and reorganization.
>
> The portion of the charges related to reorganization costs is expected to be approximately $25 million after tax and primarily relate to severance costs associated with a reduction in the number of senior management positions and costs to exit several facilities no longer required, while the remaining charges primarily relate to project specific matters.
>
> During the quarter, several large fixed fee engineering and construction projects, including two projects where Kellogg Brown & Root participates as a member of a construction

56. Aftermarket close, on January 30, 2001, Halliburton released its fourth-quarter 2000 earnings results in which the Company increased the $120 million charge announced December 21 to $193 million (of which, $157 million was attributed to project losses).

> joint venture, incurred significant additional costs related to projected completion of the projects. Much of the additional costs relate to labor disturbances in Venezuela and West Africa that have significantly affected productivity on the projects. While claims will be made for a large portion of the additional costs, management does not believe that all the claims will be recovered. In addition, negotiations with customers regarding cost increases on seven other projects have not resulted in resolution of certain claims as originally anticipated.[57]

45. In general, analysts were surprised by the charges related to the cost overruns.

> Halliburton said approximately $25 million of the charge will cover costs of the restructuring, which analysts said could foreshadow spinning off the engineering and construction units into a separate company. But the bulk of the charge, about $95 million, was related to delays and cost overruns. The company blamed some on labor problems in Venezuela and West Africa and said it will make claims to recoup the money. It is also negotiating, so far unsuccessfully, to recover extra costs on seven other projects.

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57. *PR Newswire*, "Halliburton Announces New Structure and Engineering and Construction Charges," December 21, 2000, 8:59am.

> The Dallas-based company had hinted about the restructuring two months ago, but the cost overruns caught observers off-guard.
>
> "There are nine projects (with overruns). That points more to a problem with the bidding process," said Jim Wicklund, an analyst with Dain Rauscher Wessels who rates Halliburton stock "neutral."
>
> Allen Brooks, an analyst with CIBC World Markets Corp., attributed the overruns to doing business in places such as Nigeria.
>
> "It was a little bit of a surprise, but I don't raise too high a flag about it," said Brooks.[58]

46. Analysts continued to express concerns on December 22:

> Two investment analysts who follow Halliburton expressed some unhappiness about the write-off from cost overruns and higher expenses, which came as a surprise to them.
>
> "I knew there would be charges," said Fred A. Mutalibov with Southwest Securities Inc. in Dallas. "But one of the problems with the big companies like Baker Hughes, Halliburton and

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58. *Associated Press*, "Halliburton to split into two divisions," December 21, 2000, 5:31 pm.

Appendix B

Schlumberger within my industry is that what are called one-time or non-recurring charges keep coming again and again."

Jim Wicklund, analyst with Dain Rauscher Wessels in Dallas, said excluding the charges makes it difficult for investors to compare Halliburton's earnings from quarter to quarter. It isn't the first time Halliburton has written off cost overruns on projects, he said.

"This is $95 million in charges where they had significant cost overruns and seven projects that they had cost increases that they haven't been able to pass along. With no offense meant toward Halliburton, that's a lack of good contingency consideration," he said.

Halliburton shares, after trading off as much as $1.31, closed down 75 cents to $37 Thursday on the New York Stock Exchange.

Guy Marcus, Halliburton's vice president of investor relations, declined to identify the projects or customers with which Halliburton has incurred the higher costs.

Halliburton said "several large fixed-fee" projects, including two where its Kellogg Brown & Root unit is part of a construction joint venture, "incurred significant additional costs" coming up to completion.

> It said "labor disturbances" in Venezuela and West Africa "have significantly affected productivity on the projects."
>
> "While claims will be made for a large portion of the additional costs, management does not believe that all the claims will be recovered," Halliburton said.
>
> The company also said that on seven other projects, it has been unable to resolve claims over cost increases as it had first anticipated.[59]

47. Although the stock fell 2.0% on December 21, this was not a statistically significant return. On December 22, 2000, Halliburton's stock price declined 2.7%, to close at $36.00. The company-specific return that day is negative 3.9%, a statistically significant decline (although the industry was down that day, the overall market was up more than 3.0%). The price reactions on December 21 and 22 are consistent with the charge for cost overruns at various projects that was a surprise to the market.

48. Several analysts issued reports on December 21 and 22 in response to the Company's announcement.

A.G. Edwards & Sons:

> Although these project adjustments will undoubtedly have a positive impact on

59. *Texas*, "Dallas-Based Oil Services Firm Halliburton to Take $120 Million Charge," December 22, 2001.

[Engineering and Construction] profitability in 2001-2, the extent of the adjustments is much wider than previously thought, in our view, and is evidence that execution problems have also had a negative impact on [Engineering and Construction] operating results. With the restructuring and project adjustments, we believe that [Halliburton's] [Engineering and Construction] business should be on track to meet its 3% margin goal in 2001 and generate closer to 5% margins in the future. We point out that the [Engineering and Construction] backlog has improved slightly since the end of 3Q2000 and additional activity should materialize as integrated oil companies increase capital spending in 2001.[60]

CIBC:

The struggling [Engineering and Construction] division has been a drag on [Halliburton's] stock performance. Based on our 2001 EPS estimates, [Halliburton] currently trades at a 35% valuation discount to other major oil services companies. Although part of this discrepancy is warranted due to the weak performance of the [Engineering and Construction] business, we believe [Halliburton] can narrow the valuation gap with a successful reorganization.

60. AG Edwards & Sons, Inc. "E&C Business Restructuring Formally Announced—4Q2000 EPS ON Track," December 21, 2000.

Additionally, the strength of the recovery in the oilfield service industry should also enhance stock price appreciation.[61]

49. *February 12, 2001*: On February 12, Halliburton's stock price rose 0.42%. The company-specific return is 4.6%, a statistically significant increase because the industry was down that day. Schlumberger stock, a major Halliburton competitor, was down 12% that day on news of a proposed cash purchase of Sema PLC, a British technology information firm, which dragged down the overall industry return.[62]

50. *April 26, 2001*: After market close on April 25, 2001, Halliburton released its first-quarter 2001 financial results, reporting earnings on the low end of analysts' estimates, and stating that the company expected 2001 EPS to be at or above $1.30, which was higher than analysts' consensus forecast of $1.20, "as a recovery in demand for oilfield services gradually spreads beyond North America. Halliburton said its customers stepped up their drilling activity in response to high oil and natural gas prices."[63]

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61. CIBC, "4Q Outlook In Line With Prior Guidance, Restructuring Charge Announced," December 21, 2000.

62. *Chicago Tribune*, "Schlumberger Buying Firm to Help Diversify Oil Field Giant to Pay $5.2 Billion for Sema," February 13, 2001.

63. *Reuters News*, "UPDATE 2—Halliburton earnings more than triple," April 25, 2001, 7:33 pm; *Reuters News*, "Halliburton sees 2001 EPS at or above $1.30," April 25, 2001, 5:46 pm.

51. In response to the Company's first quarter earnings results, certain analysts raised their estimates and/or rating for Halliburton. For example, on April 26, 2001, analyst Tom Escott with Robinson Humphrey raised his estimates for Halliburton's EPS and raised his rating to "Outperform" from "Neutral," stating: "After downgrading [Halliburton] to Neutral last August at $53.50, we are upgrading our rating to Outperform based on the improved earnings outlook."[64] Credit Suisse First Boston Corporation ("CSFB") raised its 2001 and 2002 estimates for Halliburton "to reflect company guidance and incorporate stronger revenue and margin growth in the oilfield operations."[65] Prudential Securities raised its investment recommendation on Halliburton to "Strong Buy" from "Accumulate" on increased earnings forecasts.[66]

52. Some analysts maintained the ratings and estimates for the Company. CIBC maintained its estimates and rating for Halliburton, stating "Business trends and outlook comments by management support our thesis of a recovery of international activity becoming the principal driver of [Halliburton's] earnings in 2H01 and thereafter."[67]UBS Warburg maintained its ratings for Halliburton, stating: "Although the outlook for

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64. Robinson-Humphrey, "HAL: Estimates Raised: Rating Boosted to OUTPERFORM," April 26, 2001.

65. CSFB, "HAL: MWR: Q101 In-line, Forward Guidance Raised," April 26, 2001.

66. *Reuters News*, "RESEARCH ALERT-Prudential ups Halliburton," April 26, 2001, 10:13 am.

67. CIBC World Markets, "Halliburton Co.: 1Q01 EPS In Line; Broadening Recovery Under Way," April 26, 2001.

[Halliburton's] core business is improving, we still do not find the risk/reward ratio as attractive as that of some of its peers. Our rating remains Hold."[68]

53. On April 26, Halliburton's stock price rose 9.09%, to close at $42.13. The company-specific return was 3.7%, a statistically significant increase. News commentators attributed the Company's stock price gain to its positive earnings release.[69]

54. *June 29, 2001*: On Thursday, June 28, 2001, after market close, Halliburton announced that Harbison had been requesting the Company's financial assistance with asbestos claims Harbison agreed to assume in 1992 after it was spun off from Dresser. Dresser had agreed to handle asbestos claims filed prior to the split, and Harbison agreed to handle asbestos claims filed afterward. Dresser was named as a defendant in the claims, and the companies were in effect co-insured. Halliburton stated that it had "substantial interest" in resolving the claims, and that this development exposed the Company, net of insurance recoveries, to a worst case asbestos liability cost of $60 million.[70] On June 29, 2001, Halliburton's stock price declined 4.22%, to close at $35.60. The company-specific return that day is negative 4.6%, a statistically significant decline.

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68. UBS Warburg Research Note, "Halliburton: Below Expectations for 1Q; Guides Higher for 2Q," April 26, 2000.

69. *Reuters News*, "Oil services shares surge on rosy outlook," April 26, 2001, 2:28 pm.

70. *Dow Jones News Service*, "Harbison-Walker Asks Halliburton For Asbestos Claims Help," 4:47 pm, June 28, 2001.

55. Certain analysts expressed concern over the Company's potential exposure to asbestos liability, which is reflected in the decline in the stock price. On June 29, Goldman Sachs removed Halliburton from its list of top recommendations, citing anticipated pressure on the Company's stock price due to this asbestos related disclosure:

> Analyst Terry Darling ["Darling"] wrote in a report, "Although [Halliburton's] operating performance is improving (second quarter upside surprise likely) and it's unlikely that this event substantially increases [Halliburton's] financial risk from asbestos liabilities, we believe the incremental uncertainty created by this new development is likely to place further pressure on [Halliburton] shares.[71]

CNBC discussed the Goldman Sachs downgrade:

> [Halliburton] was downgraded today by Goldman Sachs. The bottom line from Goldman is that Goldman says the company has issues with w--asbestos *[sic]* liabilities. That's going to be a problem, even though the fundamentals appear to be improving for Halliburton. The firm is taking the stock off of its recommend list. They make it a market performer on the heels of the company, saying it may assume

71. *Reuters News*, "Research Alert—Goldman cuts Halliburton from recommended list," June 29, 2001, 8:04 am.

asbestos liabilities of Harbison Walker, which was spun off by Dresser Industries as Indresco back in 1992.[72]

56. Analyst Geoff Kieburtz with Salomon Smith Barney, stated:

> There is risk from the company's asbestos liability on three fronts. First, the possibility of a dramatic increase in the number of new claims filed. The first quarter of 2001 saw 18,000 new claims filed, versus a total of 45,000 during all of 2000, indicating a potential annual total this year of 72,000 new claims. Second, claimants could become more aggressive in terms of the amount of money being sought, as has been the case with other asbestos defendants, such as McDermott International. Third, the Delaware Supreme Court could uphold the lower court ruling that Highlands is not obligated to provide insurance coverage for asbestos claims filed against Kellogg Brown & Root, thereby removing Halliburton's primary insurance coverage for these claims.
>
> Despite the risks detailed above, we do not expect that Halliburton's asbestos exposure presents a material risk to the company's existence as a going concern. Firstly, the magnitude of the

72. *CNBC Squawk Box*, "Newscast: Squawk Box, 9:30 AM; today's business news," June 29, 2001.

> company's exposure is an order of magnitude lower than that of McDermott International, while Halliburton is a significantly larger and more profitable company. With $278 million of cash at the end of the first quarter, against an $84 million accrued liability for open claims, assuming no insurance coverage, Halliburton appears to have sufficient financial resources to manage this exposure. Thus, we reiterate our Buy rating on the stock.[73]

57. Analyst Sanger with Deutsche Banc Alex. Brown stated:

> This charge, if taken, will be in Q2 for discontinued operations, and will be easily offset by the $300 million after-tax gain on the sale of Dresser Equipment Group. While insignificant by itself, it does remind people of [Halliburton's] asbestos liabilities and could depress its multiple as these concerns rear their head again. We continue to rate [Halliburton] a Buy because of its recent sharp pull back but prefer RIG, BHI and SLB (all Strong Buy rated) among the large caps. Our target price remains unchanged at $54 ....[74]

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73. Salomon Smith Barney, "HAL: Possible Additional Asbestos Exposure," June 29, 2001.

74. Deutsche Banc Alex. Brown, "Halliburton Increases Asbestos Reserve. Reiterate Buy, but Renewed Concerns Could Impact Valuation," June 29, 2001.

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58. *July 26, 2001*: After market close on July 25, 2001, Halliburton released its second quarter financial results, reporting strong revenue and earnings:

> [S]econd-quarter earnings from continuing operations more than doubled as oil and gas companies stepped up their drilling activity in response to strong energy prices during the quarter.
>
> Dallas-based Halliburton, headed until August 2000 by U.S. Vice President Dick Cheney, said second-quarter earnings from continuing operations and excluding one-time items rose to $143 million, or 33 cents per share, from $52 million, or 12 cents a share, in the same period of 2000.
>
> 'Analysts' earnings estimates had ranged from 28 to 32 cents per share, with a mean estimate of 30 cents, according to research firm Thomson Financial/First Call.[75]

59. Several analysts raised their estimates for Halliburton in response to the results:

For example, analyst Sanger raised EPS estimates for the Company, stating:

> Although we expect a drilling slowdown in the US to negatively impact [Halliburton], the

75. *Reuters News*, "Halliburton operating earnings more than double," July 25, 2001, 4:11 pm.

> near term strength there and the longer-term leverage to the international recovery are higher than we had assumed. Consequently, we are raising our EPS estimates for 2001 from $1.19 to $1.32, leaving 2002 unchanged at $1.63. We are also maintaining our target price of $44 based on a 27 multiple of 2002 EPS (implying an 11.9 multiple of 2002 EBITDA), and we continue to rate [Halliburton] a Buy.[76]

ABN AMRO also raised their EPR targets for the Company:

> We are raising our 2001 EPS estimate to $1.40 from $1.25 to reflect the upside surprise, as well as a more rapid improvement in the international markets than we had previously anticipated. In addition, we are increasing our 2002 EPS estimate to $2.10 from $2.00.[77]

That day, Halliburton's stock price rose 3.65% to close at $35.50. The company-specific return was 3.4%, a statistically significant increase.

60. *August 9, 2001*: On August 9, 2001, Halliburton filed Form 10-Q with the SEC, in which it increased its

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76. Deutsche Banc Alex. Brown, "Q2 Earnings Higher Than Expected; Raising Ests, but Maintaining 2002 Ests, Target Price and Strong Buy Rating Because of Rapidly Improving Fundamentals," July 26, 2001.

77. ABN AMRO, "International Stength [*sic*] Drives Upside Surprise," July 26, 2001.

accrued net liability for known open asbestos claims to $124 million (from $30 million on March 31, 2001 and $29 million on Dec. 31, 2000). In response to the Company's filing, an analyst at A.G. Edwards stated that the situation was now more complex and uncertainty increased, although it appeared manageable:

> With these recent developments the scope of Halliburton's potential asbestos liabilities has expanded and uncertainty has increased. The inherent uncertainty of litigation as well as the possibility that a series of adverse court rulings or new legislation could quickly alter [Halliburton's] position, makes it very difficult for the company accurately predict the outcome. However, based on its: historical experience with similar claims; understanding of the facts and circumstances that gave rise to asbestos claims; and estimate of amounts that will be recovered from insurance companies; along with the time elapsed since Halliburton and its former divisions or subsidiaries discontinued sale of products containing asbestos; and the time elapsed since Kellogg Brown & Root used materials containing asbestos in any construction process; [Halliburton] believes that the known open asbestos claims are manageable and will be resolved without a material adverse effect on its financial position or results of operations. Regardless, the situation should be monitored closely and the uncertainty could continue to hamper

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Halliburton's valuation relative to its peers (BHI and SLB).[78]

61. On August 9, 2001, Halliburton's stock price declined 4.48%, to close at $32.00. The company-specific return that day is negative 5.2%, a statistically significant decline. The decline was attributed to the information released in the 10-Q:

> Halliburton Co, the world's No.1 oilfield services firm, saw its stock fall 4.5 percent on Thursday after the company released information showing a sharp increase in its asbestos litigation liability.
>
> Dallas-based Halliburton, headed until August 2000 by U.S. Vice President Dick Cheney, said it estimated its net liability for open asbestos claims against current and former Halliburton subsidiaries at $124 million as of June 30, 2001, up from $30 million on March 31, 2001 and $29 million on Dec. 31, 2000.
>
> The information, contained in a 10-Q filing with the Securities and Exchange Commission (SEC), hit Halliburton's stock which closed $1.50 lower at $32.

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78. A.G. Edwards, "Net Liability for Asbestos Claims Rises—More Complex Situation Appears Manageable but Uncertainty Increases," August 10, 2001.

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> "When you look at the growth in claims and you look at these numbers, we're concerned," said Scott Gill, an analyst with Houston-based energy investment bank Simmons & Co.
>
> Gill said the information about the asbestos claims—which date back to the 1970s—was far more detailed than the company had made in 10-Q statements in previous quarters.[79]

62. *October 31-November 1, 2001*: After market close, on Tuesday, October 30, 2001, Halliburton announced that on October 26, 2001, a jury in Mississippi found Dresser (through Harbison) liable in two of six asbestos cases for total compensatory damages of $21.3 million ($10.7 million per plaintiff). The case was against three companies, and the total verdict was $150 million. This verdict had not yet been affirmed and a judgment had not yet been entered against the Company. The Company stated that it would "file post trial motions and vigorously appeal if the verdict is not set aside"[80]

63. One analyst was surprised by the size of the award, and expected the news to have a negative impact on the Company's stock price:

> Six plaintiffs were each awarded $25 million and Dresser (through the Harbison-Walker

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79. *Reuters News*, "Halliburton stock down as asbestos liability rises," August 9, 2001, 7:12 pm.

80. *PR Newswire*, "Halliburton Disputes Asbestos Claims," October 30, 2001, 8:05 pm.

(H-W) subsidiary) was found liable in two of the six cases for total compensatory damages of $21.25 million ($10.675 million per plaintiff). Potential 4Q2001E impact is small: $5mil or $3mil tax effected = less than $0.01/share hit. If appeal is unsuccessful, reserves could move up sharply. This jury award sets new precedents; the size of award is enormous ....

Size of jury award was unexpected and is likely to have a negative impact on stock price tomorrow. We expect a vigorous defense by [Halliburton's] and remain optimistic that the asbestos liability will remain under control. Given the significant discount relative to its peer group, we believe that [Halliburton's] current stock price adequately discounts potential asbestos liability risk.[81]

64. Another analyst noted the risks:

We continue to monitor the situation closely and we recognize the unpredictability and apparent irrationality of the asbestos litigation environment in general. For example, at least 95% of the claims filed against Halliburton are by claimants that have no symptoms of illness and a very small fraction, under 3%, have

81. A.G. Edwards, "Asbestos Case in Small Mississippi Town Yields $150 Million Jury Award Against HAL, MMM and Others—Vigorous Appeal Expected," October 31, 2001.

> diagnosed cancer. Notably, the five claimants in the Orange County case all had been diagnosed with cancer. In addition, each case that is filed against Halliburton has many other co-defendants, creating a degree of competition between defendants to avoid being tagged with a liability. However, because of these factors and others, we cannot confidently develop a "worst case scenario" for Halliburton's ultimate asbestos liability. [82]

65. On October 31, 2001, Halliburton's stock price declined 6.3%, to close at $24.69. The company-specific return that day is negative 4.9%, a statistically significant decline. The Company's stock continued to decline 2.88% on November 1, 2001, to close at $23.98. The company-specific decline is -3.7%, a statistically significant decline because the market was up that day.

66. *November 6, 2001*: On November 6, 2001, Halliburton's stock price declined 3.85%, to close at $21.72. The company-specific return that day is negative 3.5%, a statistically significant decline. There was no company-specific news on that day consistent with the price decline.

67. After market close on November 6, 2001, based on the Company's third quarter earnings, which were released after market close on October 23, 2001, investment firm Hibernia Southcoast Capital reduced its

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82. Salomon Smith Barney, "HAL: Further Asbestos Developments," October 31, 2001.

EPS estimates and 12-month price target for Halliburton (to $34 from $60). The firm maintained its "Buy/Strong Buy" rating for the Company's shares.[83]

68. *November 9, 2001*: On November 9, 2001, Halliburton's stock price rose 0.18%, to close at $22.76. However, the company-specific return that day is negative 3.4%, a statistically significant decline, because the industry was up that day.

69. On November 9, 2001, Salomon Smith Barney issued a report on Halliburton that was generally positive but in which the analyst lowered his earnings estimates for fourth quarter 2001 and maintained his 2002 estimate and Buy rating.

70. *December 4-7, 2001*: During the period December 4 through December 7, 2001, Halliburton disclosed recent adverse asbestos jury verdicts in Form 8-K SEC filings and there was substantial discussion in the news and by analysts related to Halliburton's potential asbestos exposure.

71. On Tuesday, December 4, the Company filed Form 8-K with the SEC, in which it disclosed that a Texas District Court had entered a judgment against Dresser on a $65 million jury verdict rendered in September 2001.[84]

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83. Hibernia Southcoast Capital, "Halliburton Co.," November 6, 2001.

84. This verdict was known to the public before December 4. For example, an analyst for Salomon Smith Barney referred to this verdict in his November 9, 2001 report.

In the same filing, the Company disclosed that the same district court also entered three additional judgments against Dresser in favor of 100 other asbestos plaintiffs in the aggregate amount of $35.7 million related to an alleged breach of a purported settlement agreement. The Company stated that it intended to appeal the three judgments "on the grounds that it wasn't a party to the settlement agreements and that it didn't authorize anyone to settle on its behalf. The company said it believes its appeal will be successful."[85]

72. On December 3, 2001, Halliburton's stock price closed at $22.06. On December 4, Halliburton's stock price declined 0.73%. The company-specific return is -3.7%; this is a statistically significant negative return because both the market and the industry are up that day. On December 5, Halliburton's stock price increased 0.46%, which also is a statistically significant negative return because both the market and the industry are up that day (the company-specific return is -3.8%). On December 6, the stock declined 5.23%. This is not a statistically significant return because both the market and the industry are down that day. Halliburton closed at $20.85 on December 6.

73. Analysts recognized the market's concern with Halliburton's asbestos exposure but continued to recommend the stock. This is consistent with the net stock price decline over December 4-6. Analyst Fratt with A.G. Edwards lowered his price target for Halliburton and reiterated his "Strong Buy/Speculative" rating:

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85. *Dow Jones Corporate Filings Alert*, "Texas Court Enters $65M Verdict Against Halliburton," December 4, 2001, 8:45 am.

> In our view, these large jury awards are troubling due to the size of awards and jury findings appear to based *[sic]* on the possibility of development of asbestos-related illnesses, not actual presence of asbestosis, a form of asbestos-related lung cancer, or mesothelioma, a cancer that is caused by exposure to asbestos. Nonetheless, [Halliburton's] asbestos liability remains large and the overhang could remain in place for the next several years in spite of [Halliburton's] vigorous defense (in part due to the lengthy appeals process). ...
>
> Although disappointing earnings, a weak engineering & construction (E&C) business environment and exposure to asbestos litigation have weighed on the stock price, an extensive restructuring in the E&C business, the sale of Dresser Equipment Group and improving Energy Service operating results, especially outside of North America, should enable Halliburton to perform better in the near-term. In addition, a slowing of asbestos litigation claims could help the stock perform better.[86]

74. Analyst Sanger of Deutsche Banc Alex. Brown reiterated his Strong Buy rating for Halliburton, stating that the market was over-discounting the Company's potential asbestos liability:

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86. A. G. Edwards, "Asbestos News Continues to Develop—North American Drilling Market Weak and 2001-2 EPS Estimates Lowered," December 5, 2001.

Appendix B

> Improved disclosure does not mean improved clarity: The asbestos issue continues to overhang [Halliburton] and better disclosure of its liabilities, a strategy which [Halliburton] has now decided to pursue, does not provide investors with comfort on either the upper-end or the potential ultimate liability or on the timing of the development of a clearer definition of what that liability might be.
>
> Recommendation: We continue to rate [Halliburton] a strong Buy and we believe that the current valuation over-discounts the asbestos liability ....[87]

75. On the morning of December 7, 2001, the Company filed Form 8-K with the SEC disclosing that on December 5 a Maryland jury had awarded a $30 million verdict against Dresser in favor of five plaintiffs in an asbestos litigation. The Company stated that it intended to "aggressively" appeal the verdict:

> The company said it believes the trial court committed numerous errors and that the evidence didn't support the verdict, according to the filing. The company intends to challenge the verdicts by post trial motion and, if those motions aren't successful, to pursue an appeal "aggressively."[88]

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87. Deutsche Banc Alex. Brown, "Better Asbestos Disclosure Does Not Help Stock Price," December 5, 2001.

88. *Dow Jones Corporate Filings Alert*, "Jury Returns $30M Verdict against Halliburton Subsidiary," 8: 17 am.

76. Several analysts issued reports that day in response to the Company's SEC filing. Analyst Geoff Kieburtz with Salomon Smith Barney downgraded his rating for Halliburton (to 3H from 1M) and dropped his price target to $20 from $36 citing mounting asbestos liabilities:

> This verdict comes on the heels of a $21 million Mississippi jury verdict, a $65 million judgement in Orange, Texas, and an additional $36 million, representing a settlement previously negotiated by Harbison-Walker. All of these cases pertain to Harbison-Walker, a former subsidiary. The company has indicated that in all cases that it believes the trial courts have committed numerous errors, and that it expects to prevail on appeal. While the stock heavily discounts Halliburton's asbestos exposure, the specter of lawsuits spiraling out of control is likely to adversely impact the stock for the foreseeable future, and thus we cannot recommend it at this time.[89]

77. Analyst Sen with Jefferies & Co. put his rating for Halliburton under review citing uncertainty regarding the asbestos litigations and near-term earnings risk:

> We have remained cautious on Halliburton for two main reasons: 1) uncertainty surrounding

89. Salomon Smith Barney, "HAL: Downgrading on Mounting Asbestos Liabilities," December 7, 2001.

> ongoing asbestos litigation, and 2) near-term earnings risk .... These [asbestos related disclosures] are surprising developments following management's rather positive asbestos update during its 3Q01 conference call on October 23. During the conference call management had provided further assurances that current reserves are adequate to cover projected asbestos liabilities. We now believe that [Halliburton's] asbestos-related net liabilities could be significantly higher than currently estimated (estimated at $125 million by the company). We continue to remain cautious on the stock. Our rating is under review (with a negative bias) pending further update from management on asbestos.[90]

78. UBS Warburg analyst, James Stone, downgraded his rating for Halliburton to "Hold" from "Strong Buy" and reduced his 12-month target price to $24 from $38:

> While we do not anticipate that every claim filed against Halliburton will end up in court, in fact the vast majority of claims should continue to be settled at or near the company's historical settlement rates. Nevertheless, if only 1% of cases resulted in jury verdicts of a similar magnitude and the awards were upheld at the appellate level, the future liability would

90. Jefferies, "Halliburton: Update On Asbestos Litigation; Stay Cautious," December 7, 2001.

> be significantly greater than our previous expectations. From a value standpoint, it is arguable that the stock is still quite undervalued .... When all is said and done, we still believe that our analysis and our conclusions are reasonable. However, the current climate is sufficiently uncertain to merit more caution on our part. If we were to see several signs that would allow us to believe that the liability is confinable at the level of our previous analysis, we would be inclined to re-evaluate the stock. Since the value gap that results from our previous analysis is so great, we are not uncomfortable missing some of the initial upside if we wait for better signals.[91]

79. On December 7, 2001, Halliburton's stock price declined 42.4%, to close at $12.00. The company-specific return that day is negative 42.7%, a statistically significant decline. Trading volume was almost 77 million shares that day, more than 22 times the average daily trading volume for Halliburton stock during the Class Period. Several news articles attributed the decline in Halliburton's stock price on December 7 to the recent asbestos disclosures.[92]

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91. UBS Warburg, "Halliburton: Downgraded to Hold from Strong Buy," December 7, 2001.

92. *See, e.g., The Wall Street Journal*, "Halliburton Stock Falls Nearly 43% After Recent Asbestos Verdicts," December 10, 2001.

Appendix B

SUPPLEMENTAL APPENDIX

EXHIBITS TO LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION AND INCORPORATED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION FILED SEPTEMBER 17, 2007:

Exhibit 1 ..... SA1

Exhibit 2 ..... SA7

Exhibit 3 ..... SA9

Exhibit 4 ..... SA28

Exhibit 5 ..... SA33

Exhibit 6 ..... SA35

Exhibit 7 ..... SA45

Exhibit 8 ..... SA47

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Exhibit 11 ..... SA54

Exhibit 12 ..... SA70

Exhibit 13 ..... SA87

Exhibit 14 ..... SA89

Exhibit 15 ..... SA91

Exhibit 16 ..... SA93

Exhibit 17 ..... SA96

Exhibit 18 ..... SA110

APPENDIX C — DEFENDANTS' RESPONSE TO LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION DATED NOVEMBER 16, 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

Civil Action No. 3:02-CV-1152-M

ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf Of Itself and All Others Similarly Situated,

Lead Plaintiff,

vs.

HALLIBURTON COMPANY and DAVID J. LESAR,

Defendants.

DEFENDANTS' RESPONSE TO LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION

Respectfully submitted,

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Appendix C

[TABLES INTENTIONALLY OMITTED]

The Court should deny Lead Plaintiff Archdiocese of Milwaukee Supporting Fund, Inc.'s ("AMSF") Motion for Class Certification ("Motion"). As in two recent decisions of the Fifth Circuit and the Northern District of Texas, the proposed class fails because AMSF has failed to prove loss causation by a preponderance of the admissible evidence. *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261, 262, 269 (5th Cir. 2007); *Ryan v. Flowserve Corp.*, __ F.R.D. __, No. 3:03-CV-1769-B, 2007 WL 3357692, at *8 (N.D. Tex. Nov. 13, 2007) (Boyle, J.). The Expert Report of Jane Nettesheim—AMSF's only evidence of loss causation—fails to satisfy loss causation requirements in the Fifth Circuit and is based on unreliable methodology and analysis. Nettesheim repeatedly admits that she did not conduct the type of inquiry the Fifth Circuit requires, and the evaluation she did conduct fails to meet basic standards for experts in her field.[1] AMSF's Motion also fails because the proposed class representatives, Ben Alan Murphey and AMSF, do not satisfy the requirements of adequacy and typicality under Federal Rule of Civil Procedure 23.

LEAD PLAINTIFF'S BURDEN OF PROOF

The issue of class certification should not be considered lightly. In *Oscar*, Judge Higginbotham recently noted

1. *See* Defendants' Motion to Strike the Report of Jane Nettesheim ("Motion to Strike"), filed contemporaneously with this Response and fully incorporated herein.

the "lethal force of certifying a class of purchasers of securities enabled by the fraud-on-the-market doctrine." *Oscar*, 487 F.3d at 262. A court must conduct a "rigorous analysis" to determine whether there is sufficient evidence to satisfy each of the requirements of class certification. *Unger v. Amedisys Inc.*, 401 F.3d 316, 320 (5th Cir. 2005). In doing so, a court must look beyond the pleadings to "understand the claims, defenses, relevant facts, and applicable substantive law in order to make a meaningful determination of the certification issues." *Castano v. Am. Tobacco Co.*, 84 F.3d 734, 744 (5th Cir. 1996); *Griffin v. GK Intelligent Sys., Inc.* 196 F.R.D. 298, 300 (S.D. Tex. 2000).

AMSF bears the burden of establishing each requirement of Rule 23 and is entitled to no presumptions. *Unger*, 401 F.3d at 321 ("The plain text of Rule 23 requires the court to 'find,' not merely assume, the facts favoring class certification."); *see also Berger v. Compaq Computer Corp.*, 257 F.3d 475, 481 (5th Cir. 2001); *Gen. Tel. Co. v. Falcon*, 457 U.S. 147, 160 (1982). "Unsupported allegations that the case satisfies the requirements of Rule 23 are an insufficient basis for certifying a class action." *Kase v. Salomon Smith Barney, Inc.*, 218 F.R.D. 149, 152 (S.D. Tex. 2003). If AMSF has not satisfied the requirements for class certification, it is improper to certify a class on the possibility that it might make the required showing at a later stage in the litigation.[2]

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2. *See Oscar*, 487 F.3d at 268 ("[A] district court must resolve factual disputes relevant to each Rule 23 requirement and find that whatever underlying facts are relevant to a particular Rule 23 requirement have been established. . . . The obligation to make such determinations is not lessened by overlap between a Rule 23 requirement and a merits issue . . . .") (internal citations

Rule 23's requirements include that: (1) the proposed class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the proposed class; (3) the claims or defenses of the representatives are typical of those of the proposed class; and (4) the representative parties will fairly and adequately protect the interests of the proposed class. FED. R. CIV. P. 23(a). Under Rule 23(b)(3), AMSF must also show that common questions of law or fact "predominate over" individual issues and that a "class action is superior to other available methods for the fair and efficient adjudication of the controversy." *Id.* at 23(b)(3).

To satisfy Rule 23(b)(3), AMSF relies on the fraud-on-the-market presumption, without which individual issues of reliance would predominate and the class would fail. The reliance element of a plaintiff's securities claim is presumed for a company whose shares are traded in an efficient market. *Basic Inc. v. Levinson*, 485 U.S. 224, 244 (1988). Under the Fifth Circuit's interpretation of *Basic*, classwide reliance is presumed if there is proof that: "(1) the defendant made public material misrepresentations, (2) the defendant's shares were traded in an efficient market, and (3) the plaintiff[] traded shares between the time the misrepresentations were made and the time the truth was revealed." *Greenberg v. Crossroads Sys., Inc.*, 364 F.3d 657, 661 (5th Cir. 2004). To benefit from the presumption of reliance, however, a plaintiff must also prove that the material "misstatement *actually moved* the

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omitted); *Castano*, 84 F.3d at 742 ("Given the plaintiffs' burden, a court cannot rely on assurances of counsel that any problems . . . can be overcome.").

market" and therefore caused the alleged losses. *Oscar*, 487 F.3d at 265; *see also Greenberg*, 364 F.3d at 665. The Fifth Circuit thus requires "plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption." *Oscar*, 487 F.3d at 265.

Recognizing the gravity of certifying a securities class action relying on the fraud-on-the-market presumption, the Fifth Circuit has held that the district court must make a "find[ing]" that "loss causation [is] established at the class certification stage." *Id.* at 269. Elaborating on the reasons for this requirement, the Fifth Circuit stated:

> In short, the efficient market doctrine facilitates an extraordinary aggregation of claims. We cannot ignore the *in terrorem* power of certification, continuing to abide the practice of withholding until "trial" a merit inquiry central to the certification decision, and failing to insist upon a greater showing of loss causation to sustain certification, at least in the instance of simultaneous disclosure of multiple pieces of negative news. Nor is there sound reason for an early "tentative" certification, which leaves loss causation for later more focused examination.

Id. at 267. Under *Oscar*, it is AMSF's burden to establish, and the Court must find, loss causation by a preponderance of the evidence. *Id.* at 269. Absent such a finding, the proposed class cannot rely on the fraud-on-the-market presumption, and the class therefore fails. *Id.*; *Flowserve*, 2007 WL 3357692, at *8, *16.

Appendix C

BACKGROUND

The Fourth Consolidated Class Action Complaint ("Fourth Complaint") alleges that a class of plaintiffs suffered damages because Halliburton's "financial falsifications and other misleading statements" inflated Halliburton's stock price throughout the class period from June 3, 1999 to December 7, 2001.[3] Specifically, AMSF's Motion premises its argument on alleged misrepresentations concerning: (1) the success of its acquisition of Dresser Industries, Inc., including projected cost savings from the integration of Dresser's and Halliburton's operations; (2) its accounting for unapproved claims (claims that were in the process of being negotiated with customers); and (3) the Company's liability for asbestos lawsuits.[4]

AMSF's own expert, however, affirmatively disproved the most basic element of securities fraud—inflation of the stock price. For example, she could not identify any instances before April 2001 when Halliburton's stock price increased in connection with a Company announcement in a way significantly different from an index of similar companies.[5] AMSF made all its purchases prior to this date, and the other proposed class representative, Ben Alan Murphey, made all his purchases and sales prior to

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3. Fourth Compl. ¶ 3.

4. *See* Motion at 3-8.

5. AMSF App. 96 (Nettesheim Rep. ¶ 53); App. 49 (Nettesheim Dep. 77).

that date.[6] Neither AMSF nor its expert contend that the two instances of a stock price increase in the over 600-day class period provide any support whatsoever to their failed attempt to prove loss causation. The expert also fails to link any corrective disclosure causing a decline in the stock price with a prior misstatement by Halliburton or Lesar. The timing and content of Halliburton's disclosures demonstrate the absence of loss causation and AMSF's failure to prove the requirements of class certification.

I. The only two alleged class period representations regarding the Dresser merger merely repeated information disclosed to the market before the class period.[7]

AMSF alleges two class period statements regarding Dresser; both statements, if even actionable, merely repeat nonactionable statements prior to the class period.[8] Lesar's alleged September 13, 1999 projection that the

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6. App. 15-18 (AMSF Dep. 115-17; 120; 125-27); App. 39, 42-44 (Murphey Dep. 152-53; 165-66; 171).

7. The Fifth Circuit has held that only non-confirmatory statements—those that disclose information not already known to the market—can provide the basis for loss causation. *Greenberg*, 364 F.3d at 663; *see also Flowserve*, 2007 WL 3357692, at *10 (holding that confirmatory statements are not "capable of moving the market" and provide no support for loss causation).

8. As the Motion demonstrates, the statement that the Dresser merger was a "win" for shareholders was made in 1998, and claims based on that statement are time-barred. *See* Motion at 6; March 14, 2006 Order at 3.

Dresser merger would result in "annual benefits of $500 million" mirrored a report issued on March 1, 1999—three months before the class period began.[9] Likewise, Cheney's statement in paragraph 122 of the Fourth Complaint describing the successful merger and integration of Dresser confirmed pre-class period statements that projected positive and synergystic effects of the merger and integration.[10] There is no evidence that Halliburton's stock price reacted to these alleged representations. As AMSF's own expert admits, "successive announcements of the same information will have no additional effect on share price."[11]

II. Halliburton's disclosures regarding accounting for unapproved claims were not accompanied by any decline in Halliburton's stock price.

An understanding of Halliburton's various business segments is instructive in evaluating AMSF's claim of loss causation regarding the unapproved claims allegations. The Fourth Complaint and AMSF's Motion frequently refer generally to the Company's engineering and construction operations when discussing the unapproved claims allegations. As detailed below, however, the major fixed-price construction projects on which the Company accrued unapproved claims were not part of

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9. *Compare* Fourth Compl. ¶ 115 *with id.* ¶ 93 (quoting report that "[c]ost savings from the merger . . . should yield over $500 million").

10. *See, e.g., id.* ¶¶ 83-84.

11. AMSF App. 18 (Nettesheim Rep. ¶ 40).

the Company's Engineering Construction Group. For that reason, disclosures related generally to engineering and construction, or "E&C," do not necessarily relate, as AMSF and Nettesheim suggest, to the unapproved claims allegations.

Halliburton is one of the world's largest providers of services and products to the energy industry.[12] During the proposed class period from June 3, 1999 to December 7, 2001,[13] Halliburton provided two types of services—energy services and engineering and construction services.[14] The Company's Energy Services Group serviced companies involved in the exploration, development, and production of oil and gas.[15] Until 2001, one of the Energy Services Group's business units, Brown & Root Engineering Services ("BRES"), provided engineering and construction services, such as oil-field development, to the *upstream* oil and gas industry.[16] With the exception of BRES, the Energy Services Group provided non-construction related energy services.[17]

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12. App. 124-25 (Apr. 5, 2007 Press Release, *Halliburton Completes Separation of KBR*).

13. The Court previously dismissed "all claims asserted by Plaintiffs for actions of any Defendant predating June 3, 1999" as time-barred. March 14, 2006 Order at 3.

14. *See* App. 100-01 (June 2001 Form 10-Q at 5-6).

15. *See* App. 101 (June 2001 Form 10-Q at 6).

16. App. 72 (1999 10-K at 2); *see infra* note 20

17. App. 71-73 (1999 10-K at 1-3).

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The Company's Engineering and Construction Group, which included the Kellogg Brown & Root ("KBR") and Brown & Root Services business units, provided engineering and construction services to *downstream* energy customers involved in processing and refining petroleum, and to non-energy and governmental customers involved in such industries as mining and forestry.[18] At the end of 2000, the Company announced plans to combine its engineering and construction operations into one company, KBR, reporting as the Engineering and Construction Group.[19] As a result of this reorganization, the BRES business unit was moved from the Energy Services Group to the Engineering and Construction Group.[20]

To support loss causation, AMSF points to unapproved claims allegations in the Fourth Complaint that pre-date the reorganization of Halliburton's construction operations in 2001.[21] The major projects for which Halliburton accrued unapproved claims were BRES projects.[22] At the time, BRES was a part of Halliburton's Energy Services

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18. App. 73-74 (1999 10-K at 3-4).

19. *See* App. 114-16 (Dec. 21, 2000 Press Release, *Halliburton Announces New Structure and Engineering and Construction Charges*).

20. *See id.*; App. 100 (June 2001 Form 10-Q at 5).

21. *See* Motion at 1-5.

22. *See SEC v. Morris*, No. Civ. A. H-04-3096, 2007 WL 614210, at *1 (S.D. Tex. Feb. 26, 2007).

Group, not its Engineering and Construction Group.[23] Thus, any disclosures concerning the non-construction related services of the Energy Services Group and the downstream construction operations of the Engineering and Construction Group have little, if any, relevance to the unapproved claims allegations.

Prior to the class period, Halliburton's BRES unit began to recognize revenue from unapproved claims when the revenue was deemed probable of recovery and the amount could be estimated.[24] Accordingly, in its 1998 Form 10-K, issued before the class period, Halliburton deleted a statement in prior reports that the Company's claims for additional compensation were recognized when resolved.[25] Allegations regarding this change, the propriety of the amounts recorded, or other unapproved claims disclosures referenced on pages 3-4 of AMSF's Motion predate the class period, are barred by limitations, and thus provide no basis for class certification or any claim in this litigation.[26] *See* March 14, 2006 Order at 3 (dismissing as time-barred all claims based on pre-June 3, 1999 conduct).

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23. *See* App. 65 (1998 Form 10-K at 1).

24. *See Morris*, 2007 WL 614210, at *2.

25. App. 66 (1998 Form 10-K at 26).

26. The Paine Webber Energy Conference and subsequent analyst reports referenced on pages 4-5 of the Motion did not occur on June 9, 1999 as the Motion states. Rather, according to the Fourth Complaint, that conference occurred on February 9, 1999, and the related analyst reports were released in February and March 1999, all well before the class period. *See* Fourth Complaint ¶¶ 91-93.

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In March 2000, Halliburton's 1999 Form 10-K specifically informed shareholders that "[c]laims and change orders, which are in the process of being negotiated with customers, for extra work or changes in the scope of work are included in revenue when collection is deemed probable."[27] At the same time, Halliburton also disclosed in the notes to its financial statements that its unbilled receivables included $89 million in unapproved claims in 1998 and $98 million in 1999.[28] As AMSF's own expert demonstrates, however, these disclosures regarding the accounting change and its effect had no impact on the price of Halliburton stock.[29] There was no statistically significant change in the stock price following the March 2000 disclosure.[30]

III. Halliburton accurately disclosed its asbestos liability for pending claims.

Halliburton made meaningful and truthful disclosures during the class period concerning its expected liability for

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27. App. 76 (1999 Form 10-K at 34); *see also* App. 82 (2000 Form 10-K at 28); App. 88 (2001 Form 10-K at 35).

28. *See* App. 76 (1999 Form 10-K at 34); *see also* App. 82 (2000 Form 10-K at 28 ($113 million)); App. 88 (2001 Form 10-K at 35 ($234 million)).

29. *See* AMSF App. 124 (Nettesheim Rep., Ex. 3 at 8) (showing that the stock price *increased* following the release of the 1999 10-K on March 30, 2000). Although the Fourth Complaint alleges that the March 2000 disclosure was partially misleading, AMSF does not contend loss causation exists as to this allegation, for which there is no alleged corrective disclosure causing any decline in the stock price.

30. AMSF App. 124 (Nettesheim Rep., Ex. 3 at 8).

pending asbestos claims. Halliburton informed investors both quarterly and annually of the actual number of then-pending asbestos claims and the precise amount of reserves Halliburton had accrued for those claims.[31] Far from downplaying its asbestos liability, Halliburton regularly reported estimates of multiple millions of dollars.[32] Halliburton's estimates were predictive in nature, and the Company expressly warned that future events could negatively affect its estimates: "We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings . . . could materially impact the expected resolution of asbestos related claims."[33]

Thus, Halliburton cautioned investors both in formal disclosures and in press releases that if actual amounts paid on claims or recovered from insurance companies differed from projections, it may have to take a loss. Before the class period, for example, Halliburton disclosed a dispute with a former Dresser affiliate, Harbison-Walker, related to its contractual obligation to indemnify Dresser for certain asbestos claims.[34] Further, in June 2001, the Company issued a press release announcing that its potential asbestos liability could increase by at least $50-60 million because Harbison-Walker had asked Dresser for

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31. *See* App. 77-78 (1999 Form 10-K at 43-44); App. 83 (2000 Form 10-K at 37); App. 96 (June 2000 Form 10-Q at 10).

32. *See* App. 72-78 (1999 Form 10-K at 43-44); App. 83 (2000 Form 10-K at 37).

33. App. 84 (2000 Form 10-K at 38).

34. App. 67 (1998 Form 10-K at 39).

financial assistance in meeting its indemnity obligations.[35] There is no allegation in the Fourth Complaint—and certainly no evidence—that Harbison-Walker required Dresser's assistance prior to this disclosure. Additionally, in late 2001, Halliburton told investors about a recent judgment and two jury verdicts, which were significant departures from the Company's previous experience concerning its asbestos liability.[36] There is no evidence of any prior representation regarding the potential outcomes of these lawsuits. Rather, disclosure of them was in line with the Company's previous warning that a series of such results "could materially impact" its expectations regarding resolutions of its asbestos claims.[37]

AMSF's Motion misconstrues the content of the Company's asbestos disclosures in an attempt to fabricate a misrepresentation. AMSF contends that Halliburton falsely represented that it had "adequately reserved for *potential* asbestos liability."[38] Halliburton plainly and repeatedly disclosed, however, that its reserves were only for *pending* claims and that *reserves were not accrued for potential claims* that might be filed in the future.[39]

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35. App. 117-18 (June 28, 2001 Press Release, *Harbison-Walker Asks Halliburton for Assistance*).

36. App. 121-23 (Dec. 7, 2001 Press Release, *Halliburton Comments on Asbestos Judgments*).

37. *See* App. 78 (1999 Form 10-K at 44).

38. Motion at 6 (emphasis added).

39. App. 83 (2000 Form 10-K at 37); App. 92 (March 2000 Form 10-Q at 10); App. 96 (June 2000 Form 10-Q at 10).

AMSF provides no evidence in the form of analyst statements or otherwise that investors somehow believed that Halliburton's reserves were for anything other than pending claims.

ARGUMENT

I. Class certification must be denied because AMSF has failed to prove loss causation.

In *Oscar*, the Fifth Circuit expressly held that "loss causation must be established at the class certification stage by a preponderance of all admissible evidence." *Oscar*, 487 F.3d at 269. "[A]ny showing that severs the link between the misrepresentation and the plaintiff's loss," including the absence of any element of loss causation, "rebuts on arrival the plaintiff's fraud-on-the-market theory." *Id.* at 265 (internal quotation marks omitted). If the fraud-on-the-market presumption fails, questions of individual reliance by each class member then predominate, and a motion for class certification must be denied. *Id.* at 271; *Flowserve*, 2007 WL 3357692, at * 7.

AMSF has not met and cannot meet its burden to prove loss causation. Specifically, AMSF must show that an alleged misstatement "*actually* moved the market." *Oscar*, 487 F.3d at 265. In other words, there must be proof that the alleged misrepresentations inflated the stock price, which later decreased when the truth was revealed. *See Greenberg*, 364 F.3d at 665. Courts in the Fifth Circuit have held that plaintiffs must prove the fraud's effect on the market in at least one of two ways: (1) "an increase in

stock price immediately following the release of positive information";[40] or (2) proof of "actual negative movement in the stock price following the release of the alleged 'truth' of the earlier misrepresentation." *Id.*; *Flowserve*, 2007 WL 3357692, at *10. Additionally, when multiple pieces of information are released contemporaneously with the corrective disclosure, there must be empirical proof that the corrective disclosure, as opposed to other unrelated information, caused a significant amount of the decline in stock price. *Oscar*, 487 F.3d at 270-71; *Greenberg*, 364 F.3d at 666.

AMSF's only proof of loss causation is Nettesheim's report, which fails to demonstrate loss causation:

• Nettesheim admitted that she "did not find any statements by Halliburton which had a statistically significant positive impact on Halliburton's stock price" except for April and June 2001 earnings releases that Nettesheim does not link to any subsequent corrective disclosure.[41]

• To the extent Nettesheim identified any "corrective" disclosure causing a statistically significant decline in the stock price, she admitted repeatedly that she "didn't . . . match[] particular prior statements to [such alleged corrective] disclosures."[42]

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40. Proof of stock price inflation is a necessary, but not sufficient, component of loss causation. *See infra* note 46.

41. App. 49 (Nettesheim Dep. 77).

42. App. 54 (Nettesheim Dep. 121); *see also* App. 57, 58, 59A, 59B, 60A (Nettesheim Dep. 137, 138, 164-65, 167, 168, 180).

• Nettesheim did not attempt to analyze what portion of any statistically significant stock price decline was attributable to Halliburton's correction of a potentially actionable prior disclosure (as opposed to the simultaneous disclosure of other nonactionable, negative news). In fact, although she explained she has conducted such an empirical inquiry in the past, she "was not asked to do" so in this case.[43]

In addition to expressly rejecting the very standards the Fifth Circuit has imposed for loss causation, Nettesheim's report and testimony fails to satisfy the basic requirements of reliability for experts in her field.[44] Nettesheim claims to have conducted an "event study"—a method of determining the effect of an event on a company's stock price—but she fails even to follow the methodology of the experts that she cites in her report.[45] Because AMSF has failed to meet its burden of proving that Halliburton's alleged misrepresentations caused any losses during the class period, class certification must be denied.

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43. App. 51 (Nettesheim Dep. 91-92).

44. *See* Motion to Strike at 2-10 (including in its Appendix the Expert Report of Dr. Lucy Allen of NERA).

45. *See* Motion to Strike at 3-4. This and other methodological problems with Nettesheim's report are reviewed in detail in the Motion to Strike and provide independent grounds for the Court to deny class certification.

Appendix C

A. AMSF failed to prove that any class period misrepresentation inflated Halliburton's stock price.

Loss causation requires a plaintiff to show that the defendant made an actionable, nonconfirmatory, positive statement that inflated the stock price. *Greenberg*, 364 F.3d at 666. To meet this requirement, plaintiffs "ordinarily show[] an increase in stock price immediately following the release of positive information."[46] *Id.* at 665; *see also Nathenson v. Zonagen, Inc.*, 267 F.3d 400, 419 (5th Cir. 2001); *In re Zonagen, Inc. Sec. Litig.*, 322 F. Supp. 2d 764, 775-82 (S.D. Tex. 2003).

The premise of AMSF's entire case is that Halliburton's stock traded at prices significantly inflated because of multiple misrepresentations throughout the class period.[47] Yet AMSF's expert—who provides AMSF's only proof of loss causation—examined every single day in the class period and found only two instances of a statistically significant stock price increase that she connected to

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46. Proof that the misrepresentation caused inflation of the stock price is a necessary, but not sufficient, component of loss causation. *Flowserve*, 2007 WL 3357962, at *10 (holding that evidence of disclosures accompanying stock price increases were no evidence of loss causation because "there was no statistically significant price reaction" and "[w]ithout any price reaction, particularly a negative one, no investor could have suffered a loss"); *Zonagen*, 322 F. Supp. 2d at 781 ("Merely showing that the stock price was inflated when plaintiff purchased it, however, is not sufficient to demonstrate loss causation.").

47. Fourth Compl. ¶ 3.

any Company-specific information.[48] Both instances were late in the class period, and neither AMSF's Motion nor Nettesheim's Report even contends that these instances demonstrate loss causation.[49] Nettesheim essentially disproves the entire premise of AMSF's case. Her failure to demonstrate the central aspect of any securities case—that a misrepresentation inflated the stock price—is a fatal flaw. *See, e.g., Zonagen*, 322 F. Supp. 2d at 775-82 (granting summary judgment for defendant because the plaintiffs' expert failed to present any evidence that the alleged misrepresentation at issue inflated the defendant's stock price).

B. AMSF does not prove any link between a potentially actionable, nonconfirmatory misrepresentation and corrective disclosure that reveals its falsity and causes a decline in the stock price.

AMSF attempts to prove loss causation through the second method the *Greenberg* court identified: linking "an

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48. AMSF App. 96, 99 (Nettesheim Rep. ¶¶ 53, 59).

49. *See* Motion at 19-23; AMSF App. 37-66 (Nettesheim Rep. ¶¶ 79-134). These instances occurred at the tail end of the class period in April and July 2001, and Nettesheim does nothing to link them to any corrective disclosure of any alleged culpable information causing a decline in the stock price. They therefore cannot serve as any basis for loss causation. *See Flowserve*, 2007 WL 3357962, at *10 (holding that earnings statements accompanying a stock price increase provided no evidence of loss causation because there was no relationship between them and subsequent price drops).

allegedly false, non-confirmatory positive statement" with "negative 'truthful' information" that later "caus[es] the decrease in [the stock] price." *Greenberg*, 364 F.3d at 666. AMSF's Motion looks solely to Nettesheim's testimony to satisfy this requirement. Nettesheim, however, admitted during her deposition that she did not conduct the required analysis. She explained repeatedly that she "didn't . . . match[] particular prior statements to [alleged corrective] disclosures."[50]

1. Nettesheim failed to isolate any actionable misrepresentations, and AMSF's reliance on confirmatory and other nonactionable statements to support loss causation is contrary to Fifth Circuit authority.

The *Greenberg* and *Flowserve* cases demonstrate the proper procedure for linking an alleged corrective disclosure with a prior actionable misrepresentation. The first step is to isolate the alleged actionable, nonconfirmatory misstatements. *Id.* at 666 ("Of the alleged misrepresentations made by Crossroads regarding the features of its products, only those made on [particular dates] are non-confirmatory and therefore actionable."); *see also Zonagen*, 322 F. Supp. 2d at 778-81 (granting summary judgment because plaintiff's expert failed to demonstrate a link between the corrective disclosure and an actionable misrepresentation, as opposed to an alleged misrepresentation that did not survive the motion to dismiss). Thus, at "the threshold of class certification,"

50. App. 53 (Nettesheim Dep. 121); *see also* App. 57, 58, 59A, 59B, 60A (Nettesheim Dep. 137, 138, 164-65, 167, 168, 180).

the *Flowserve* court "look[ed] for alleged falsehoods that are capable of moving the market." *Flowserve*, 2007 WL 3357692, at *10. The court then held that almost half of the alleged misrepresentations were "confirmatory, had already been digested by the market, and [could not] serve as the basis for a fraud-on-the-market presumption." *Id.*

Nettesheim's entire analysis is flawed because she categorically refused to pinpoint any "particular statement" for which she claimed to have found loss causation.[51] Nettesheim's analysis merely references broad categories of allegations in the Fourth Complaint and does not identify specific representations made at any particular time by any particular Halliburton official.[52] Nettesheim thus failed to complete the first essential step of the analysis under *Greenberg* and *Flowserve*.

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51. App. 52A (Nettesheim Dep. 114); *see also* App. 57, 58 (Nettesheim Dep. 137, 138); App. to Motion to Strike (Allen Report at 15-18, 29-31, 33-39).

52. AMSF App. 39-65 (Nettesheim Rep. ¶¶ 82-132). Nettesheim conducted her statistical analysis backwards. Rather than starting with the potentially actionable misrepresentations and corrective disclosures alleged in the Fourth Complaint and determining whether they caused a statistically significant movement of the stock, Nettesheim analyzed each and every day during the nearly 3-year-long class period to find any day on which the stock had a statistically significant movement. As to all of those days, she then combed the news sources to see if she could find any disclosure relating in any fashion to any topic at issue in the Fourth Complaint. This methodology is unreliable and contrary to the very authority Nettesheim cites in her own report. *See* Motion to Strike at 3-4.

Appendix C

Setting aside Nettesheim's failure to identify *any* specific misrepresentations, even AMSF's Motion plainly argues that loss causation exists as to alleged misrepresentations that the Court has previously dismissed and to non-actionable confirmatory statements. Almost all of the alleged misrepresentations regarding unapproved claims to which AMSF points (including those it describes on pages 3-4 of its Motion) predate June 3, 1999, are time-barred, and do not provide any basis for loss causation.[53] *See* March 14, 2006 Order at 3 (dismissing as time-barred all claims based on pre-June 3, 1999 conduct). AMSF also relies on several time-barred statements related to the Dresser merger and asbestos in its Motion.[54] These statements (and any allegations in paragraphs 64-107 in the Fourth Complaint) cannot serve the basis of loss causation. *Id.* Similarly, AMSF's Motion points only to

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53. In fact, all of the claims asserted in the Fourth Complaint are time-barred and cannot support loss causation. The Fourth Complaint alleges in no uncertain terms that there was a "shocking public revelation" of Halliburton's prior alleged fraudulent conduct on October 24, 2000. Fourth Compl. ¶ 31; *see also id.* ¶¶ 144-45. Nettesheim also states that there was a statistically significant drop in the stock price following what she claims to be corrective disclosures on October 25 and December 22, 2000. Plaintiffs were then required to "proceed with a reasonable and diligent investigation" and file a complaint no later than October 24, 2001. Because the first complaint was not filed until June 3, 2002, all of the claims are time-barred. *See* March 14, 2006 Order at 3 (dismissing as time-barred all claims based on pre-June 3, 1999 conduct).

54. Motion at 6-7 (citing ¶¶ 8, 88, 101 of the Fourth Complaint, all of which pre-date June 3, 1999).

two statements in the class period concerning the success of the Dresser merger.[55] These statements, however, are confirmatory and therefore not actionable. *See supra* p. 5; *Greenberg*, 364 F.3d at 666; *Flowserve*, 2007 WL 3357692, at *10. To summarize, there can be no loss causation as to: (1) almost all of the unapproved claims allegations to which AMSF's Motion points; (2) the pre-June 3, 1999 asbestos-related statements; (3) and all of the Dresser merger-related statements.[56]

Additionally, neither AMSF's Motion nor Nettesheim's Report even mentions the hodgepodge of alleged "accounting irregularities" in paragraphs 247-87 of the Fourth Complaint, let alone attempt to prove loss causation with respect to them. As a result, these claims cannot provide any basis for class certification.

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55. Motion at 7.

56. Only misrepresentations for which the Fourth Complaint properly alleges materiality, falsity, and scienter are potentially actionable for the purposes of loss causation. *See Zonagen*, 322 F. Supp. 2d at 777, 779; *see also Flowserve*, 2007 WL 3357962, at *7 ("The predominance query begins with a review of the basic elements of a § 10(b) and Rule 10b-5 actions . . . [which include] (1) a misstatement or omission; (2) of a material fact; (3) made with scienter; (4) on which they *relied*; and (5) that proximately caused their injuries"). For example, any alleged misrepresentations attributed only to the former individual defendants are not actionable because the Court has held that the Fourth Complaint does not demonstrate that those statement were uttered with scienter. *See* Fourth Compl. ¶¶ 28, 38, 46, 132, 175, 181, 183, 185 (all containing statements attributed only to defendants that have been dismissed).

2. Nettesheim's claimed corrective disclosures do not reveal the falsity of any prior misrepresentation and therefore do not support loss causation.

The next task is to determine whether there is a link between any remaining misstatements and a later corrective disclosure that (1) revealed the falsity of the prior statement; and (2) caused a decrease in the stock price. *Greenberg*, 364 F.3d at 666-67; *Flowserve*, 2007 WL 3357692, at *11-15. Under *Greenberg*, the necessary relationship between the corrective disclosure and the earlier misstatement is satisfied only if the corrective disclosure "specifically reveal[s]" the prior misstatement. *Greenberg*, 364 F.3d at 666.

Proof that a disclosure merely concerns the same general subject as the supposed misrepresentation is no evidence that the later disclosure is *corrective*. For example, in *Greenberg*, the plaintiffs alleged that the defendants made a number of misrepresentations related to its business of designing, manufacturing, and selling storage routers. An alleged misrepresentation regarding router speed, however, was not actionable because the alleged corrective disclosure discussed problems with a competitor in the router business and reported that earnings would be below analysts expectations, but made "no reference to increased router speed." *Id.* at 667. Likewise, there was no proof of loss causation as to misrepresentations regarding *first* quarter results and *second* quarter analyst expectations because the alleged corrective disclosure mentioned only expected

third quarter earnings. *Id.* Thus, even if the disclosure discusses the same concept or business as the prior misrepresentation, it is not a corrective disclosure unless it "specifically" corrects the prior misrepresentation and reveals the "truth[]." *Id.* at 666; *Flowserve*, 2007 WL 3357692, at *11-12 (holding that revised earnings per share guidance was not sufficiently related to a previous alleged misrepresentation discussing projected earnings per share because it did not reveal any prior fraud); *Congregation of Ezra Sholom v. Blockbuster, Inc.*, 504 F. Supp. 2d 151, 167-68 (N.D. Tex. 2007) (dismissing suit because plaintiff failed to "explicitly allege a corrective disclosure—*i.e.*, a statement that corrects a previous misrepresentation or discloses a prior omission").

The *Flowserve* court further elaborated on the requirement that a corrective disclosure must reveal the prior fraud. The court rejected an expert's claim that acute drops in the stock price reveal the "true financial condition" of a company and are proof loss causation "even if the fraudulent conduct itself is not revealed." *Flowserve*, 2007 WL 3357692, at *13. Under that expert's logic, the court explained, "a plaintiff . . . with debatable evidence of fraud can pick the largest stock drop irrespective of the actual reason and still relate the fraud" to a prior disclosure. *Id.* The court held that this approach to loss causation would "undermine the objectives of securities law and disregard[] precedent" in *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336 (2005) and *Greenberg*. *Id.*

Additionally, the court held that even if the alleged "corrective disclosure" had a "*negative* effect on the

price of [the] stock," that alone does not "demonstrate a *corrective* effect on the price of [the] stock." *Id.*, at *18-19 (emphasis in original). The *Flowserve* court found analysis from the Southern District of New York instructive on the distinction between a *negative* disclosure and a *corrective* disclosure:

> The fact that an event—in this case, a failure to meet earnings forecasts or a statement foreshadowing such a failure—disabused the market of that belief [that the securities were valuable] does not mean that the event disclosed the alleged scheme to the market. In other words, a failure to meet earnings forecasts has a *negative* effect on stock prices, but not a *corrective* effect. Such a failure does not imply that defendants concealed a scheme to depress earnings estimates and drive up prices. It does not disclose the scheme; therefore, it cannot correct the artificial inflation caused by the scheme.

Id., at *18 n.31 (quoting *In re Initial Pub. Offering Sec. Litig.*, 399 F. Supp. 2d 261, 266 (S.D.N.Y. 2005) (emphasis in original)). Under *Greenberg* and *Flowserve*, it is not enough that the disclosure mentions the same subject matter as the prior alleged misrepresentation omission and causes a decline in the stock price. AMSF must also prove that the disclosure actually revealed the prior fraud to the market. *See Flowserve*, 2007 WL 3357692, at *13, *19.

Nettesheim's approach to loss causation is directly contrary to this standard. Just as the expert in *Flowserve*, she premises her entire analysis on the invalid theory that disclosures, which she concedes do not reveal the alleged fraud, are somehow "corrective."[57] She attempts to prove loss causation through "partial disclosures of information," which "changed investors' perceptions of the *true value of Halliburton*," but that "*did not admit the alleged fraud.*"[58] Under *Greenberg* and *Flowserve*, her "true value of Halliburton" theory is no evidence of loss causation and, if accepted, would undermine the objectives of the securities laws. *Id.*, at *13 (rejecting expert's similar "true financial health" theory).

Even when Nettesheim attempts to link alleged corretive disclosures to prior (but unspecified) misrepresentations, her approach is contrary to Fifth Circuit authority. Nettesheim identifies 24 days during the class period with statistically significant decreases in Halliburton's stock price.[59] As to those 24 dates, Nettesheim identifies only eight involving a statement by Halliburton (as opposed to news about a competitor, oil prices, or other such information not specific to the

57. *See* App. to Mot. to Strike (NERA Report at 15-18, 29-31, 33-39).

58. AMSF App. 36 (Nettesheim Rep. ¶ 77) (emphasis added); *see also* AMSF App. 35 (Nettesheim Rep. ¶ 75) (admitting that in her view "[t]he corrective disclosure has a causal link to the alleged misrepresentations even though the company had not admitted to prior misrepresentations or to fraud").

59. AMSF App. 19 (Nettesheim Rep. ¶ 42).

Company).[60] As to each such date, she nakedly asserts that a Company disclosure, regardless of its content, has some unspecified relationship with the general subjects of the Complaint, such as unapproved claims, asbestos liability, or the Dresser merger.[61] For example, in answering a deposition question about the link between the December 2000 stock price decline and a prior misrepresentation, she stated:

> Q. [I]n your mind, [the December 2000 press release, which contained multiple pieces of news[62]] is a corrective disclosure or partial corrective disclosure of what statements made by Halliburton?
>
> A. This is related to the – what's generally called the unapproved claims or the cost overruns in the engineering and construction units.
>
> Q. And how in your mind is it related to the unapproved claims issue?
>
> A. It's my understanding that those relate to cost overruns.

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60. AMSF App. 20-23 (Nettesheim Rep. ¶ 45). It is unclear if AMSF is alleging loss causation as to each of these eight dates. AMSF's Motion only refers to four of the dates. *See* Motion at 2.

61. AMSF App. 42-43, 46, 52, 56-57, 65 (Nettesheim Rep. ¶¶ 87, 92, 105, 112, 132); see also App. to Motion to Strike (Allen Report at 15-18, 29-31, 33-39).

62. *See infra* pp. 27-28.

> Q. And I take it in your mind if there is a negative stock price movement of a statistically significant amount, and in the day preceding that movement there was some company announcement about fixed price contracts, whatever it may be, that is a sufficient relationship in your mind to make this a corrective disclosure or partial corrective disclosure?
>
> A. In this case, yes.[63]

Nettesheim fails to demonstrate that any disclosure corrected and "specifically reveal[ed]" any particular prior misrepresentation.[64] *See Greenberg*, 364 F.3d at 666-67 (rejecting evidence of disclosure merely mentioning the same general subject as a prior misstatement as not probative of loss causation).

Like the expert in *Flowserve*, Nettesheim takes a "results-oriented approach," and "discount[s] inconvenient but relevant facts" along the way. *See Flowserve*, 2007 WL 3357962, at *12. For example, she reviewed an October 4, 1999 disclosure containing *positive* news about Dresser and claimed it somehow revealed alleged fraud concerning

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63. App. 56 (Nettesheim Dep. 130-31); *see also* App. 53-54 (Nettesheim Dep. 119, 121, 124) (contending disclosures concerning asbestos, regardless of their content, correct all prior disclosures concerning asbestos).

64. *See* App. to Motion to Strike (Allen Report at 15-18, 29-31, 33-39).

the Dresser merger. The October 4, 1999 press release, which is not even mentioned in the Fourth Complaint, reported that Dresser had elected to sell its interest in two joint ventures and predicted that the sale would "result in net cash inflow of approximately $630 million which will be used to repay short-term debt" and "significantly strengthen[] Halliburton's balance sheet."[65] Analysts reacted to this news *positively*.[66] Nettesheim's conclusion that this information somehow corrected an unidentified prior fraudulent statement concerning the Dresser merger demonstrates the unreliability of her methodology and conclusions.[67]

Nettesheim's report is AMSF's only evidence of loss causation. Her opinions are premised on a theory that is directly contrary to Fifth Circuit authority, and her analysis demonstrates the absence of loss causation. Class certification must be denied.

C. AMSF provides no empirical evidence that the alleged corrective disclosures, as opposed to other unrelated news, caused a significant amount of the stock price decline.

When an alleged corrective disclosure is released with other negative news, a plaintiff must show "'that

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65. App. 109-10 (October 4, 1999 Press Release, *Halliburton to Sell Two Joint Ventures, Announces Earnings Outlook*).

66. *See, e.g.*, App. 126-27 (October 4, 1999 Dow Jones Business News, *Halliburton Sells Stakes in Joint Venture for $1.1 Billion*).

67. See App. 60 (Nettesheim Dep. 175-76).

it is more probable than not that it was [the corrective disclosure of the alleged misrepresentation], and not other unrelated negative statements, that caused a significant amount of the decline.'" *Oscar*, 487 F.3d at 266 (quoting *Greenberg*, 364 F.3d at 666). Nettesheim failed to conduct this analysis. In fact, she admits that she "was not asked to do" so.[68]

The *Oscar* case demonstrates the rigor of this requirement. The issuer in that case, Allegience, was a national telecommunications provider. Claimants alleged that the defendants fraudulently misrepresented Allegiance's line-installation count. The defendants later restated the line-installation count in a disclosure containing various other items of bad news. *Id.* at 263. Plaintiff's expert conducted a study demonstrating that the company's stock price declined in a statistically significant amount after the disclosure. The Fifth Circuit vacated and remanded, however, holding that the expert's report did not establish loss causation, and the district court abused its discretion in certifying the class. *Id.* at 262, 270. The Fifth Circuit explained that "when unrelated negative statements are announced contemporaneous of a corrective disclosure, the plaintiff must prove that 'it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline.'" *Id.* at 270 (quoting *Greenberg*, 364 F.3d at 666).

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68. App. 51 (Nettesheim Dep. 91-92); *see also* App. 50A (Nettesheim Dep. 89).

The Fifth Circuit also discussed the kind of proof necessary to meet this requirement. An event study showing only that the "stock reacted to the *entire bundle* of negative information" in the corrective disclosure is insufficient. *Id.* at 271. Rather, a plaintiff's evidence must be "empirically-based" and "more than well-informed speculation." *Id.* at 270-71. In *Oscar*, as here, the plaintiff's evidence of the amount of the stock price decline attributable to the revelation of the prior misstatement "consist[ed] chiefly of analyst commentary," which the court held was no evidence of loss causation. *Id.* at 270. Rather, the Fifth Circuit requires an "empirical" showing "that some percentage of the drop was attributable to the corrective disclosure" and "demands a peek at the plaintiff's damages model." *Id.* at 270-71.

Just as in *Oscar*, Nettesheim relied on the opinion of market analysts to supply the evidence that the stock price drop was attributable to the revelation of an alleged misrepresentation as opposed to other unrelated negative information.[69] Nettesheim, like the *Oscar* expert, failed to provide an "empirically-based" showing that Halliburton's stock price dropped in response to revelation of the prior misstatements, and not other negative news about the company. *Id.* at 270.[70] Her report therefore provides no evidence of loss causation; and under *Oscar*, the Court must refuse to certify the class.

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69. App. 50A, 51 (Nettesheim Dep. 89-92)

70. *See also* App. to Motion to Strike (Allen Report at 22-27, 40-41).

D. Nettesheim neither links the eight alleged "corrective disclosures" to previously released nonconfirmatory information nor provides empirical evidence that they caused a significant portion of the decline in stock price.

Nettesheim repeated the very mistakes that the Fifth Circuit determined to be fatal in *Greenberg* and *Oscar*. She conducted a methodologically flawed analysis that neither links a corrective disclosure with a potentially actionable misrepresentation, nor proves that the stock price reacted negatively to correction of the alleged fraud as opposed to other items of bad news. *See Oscar*, 487 F.3d at 270-71; *Greenberg*, 364 F.3d at 666-67. Specifically, the following disclosures, the only support in her report for loss causation, cannot be construed as "corrective":

October 4, 1999. After the market closed on October 4, 1999, Halliburton issued a press release that, as Nettesheim admits, discusses multiple pieces of news.[71] The Fourth Complaint does not mention this press release

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71. *See* App. 50 (Nettesheim Dep. 82). The October 4, 1999 press release relates to the following subjects, none of which are mentioned in the Fourth Complaint: (1) Dresser's election to sell its interests in two joint ventures; (2) under performance of the Dresser Equipment Group business segment; (3) lower than expected profits in Dresser Equipment Group's joint ventures and other business units; (4) 1999 third quarter results, which were affected by a decline in downstream Engineering and Construction business segment; (5) 1999 third quarter earnings in the Energy Service Group segment, which would remain flat to slightly up due to continued low spending levels by the company's energy industry customers. App. 109-10 (October 4, 1999 Press Release, *Halliburton to Sell Two Joint Ventures, Announces Earnings Outlook*).

and certainly does not claim that it reveals any prior fraud. Nettesheim's report does not link any disclosures in the release with any particular misrepresentation. Instead, her report references pages 1-2 of the Fourth Complaint,[72] which contain no alleged misrepresentations at all, much less allegations regarding any of the subjects of the press release. In fact, nowhere in the Fourth Complaint are there any allegations whatsoever regarding these subjects, including Dresser Equipment Group or any joint ventures it owned. As in *Flowserve*, there is no apparent relationship between the disclosures in the press release and any potentially actionable prior misrepresentation (which Nettesheim does not identify). *Flowserve*, 2007 WL 3357692, at *11. Additionally, as discussed above, Nettesheim's testimony that the *positive* news about the sale of Dresser's joint ventures somehow discloses previous (unidentified) fraudulent statements regarding the Dresser merger[73] demonstrates her refusal to apply the requirement that a corrective disclosure "specifically reveal[]" the prior fraud. *Greenberg*, 364 F.3d at 666.

Because Nettesheim's report characterized the press release as containing only one piece of news, she never attempted to evaluate whether a significant portion of the stock price decline was attributable to alleged culpable versus nonculpable news. Thus, even if the press release revealed the falsity of a prior misrepresentation, it would still not support loss causation. Nettesheim conducted no empirical analysis concluding that revelation of the truth, as opposed to other negative news—such as the

72. AMSF App. 42-43 (Nettesheim Rep. ¶ 87 & n.51).

73. App. 60 (Nettesheim Dep. 175-76).

decline in the *downstream* Engineering and Construction Group and the low spending by customers in the Energy Services Group—caused a significant portion of the stock price decline. *Oscar*, 487 F.3d at 270. This press release is not corrective of anything and is no evidence of loss causation.[74]

January 5, 2000. On January 5, 2000, analyst Carol Y. Lau issued a report after she had an alleged call with Halliburton. The report reduced earnings per share projections for various Halliburton segments, including Energy Services, and discussed lower oilfield services profits.[75] The Fourth Complaint does not mention Lau's report or claim that it is a corrective disclosure.[76] Nettesheim admits that she did not link any piece of news in Lau's report to any prior statement by Halliburton.[77] A reduced earnings per share estimate—in this case, one emanating from an analyst, not the Company—that does not specifically reveal prior fraud is no evidence of loss causation. *See Flowserve*, 2007 WL 3357962, at *13, *18-19.

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74. *See also* App. to Motion to Strike (Allen Report at 23-24, 29).

75. App. 128-29 (Jan. 5, 2000 Brown Brothers Harriman & Co. Report).

76. Under *Flowserve*, Lau's report could not constitute a corrective disclosure because there is no proof that the market recognized any relationship between the disclosure and the alleged fraud. *Flowserve*, 2007 WL 3357692, at *19 (holding that "[w]hen fraud is revealed through indirect disclosure, 'plaintiffs must provide proof that the market recognized a relationship between the event disclosed and the fraud' in order to establish loss causation").

77. App. 59 (Nettesheim Dep. 142-43).

Although Nettesheim admits that the Lau report contained nonculpable news,[78] she concludes that news and analyst reports suggest that the "reductions in earnings estimates *are based at least in part* on the problems with the large fixed-price contracts and the lack of benefits from the Dresser merger."[79] This conclusion is a far cry from the *Oscar* requirement of an *"empirically-based"* analysis (as opposed to a review of news or analyst reports) concluding that a *"significant amount"* of the decline was due to the correction of prior fraud. *Oscar*, 487 F.3d at 270 (emphasis added). This is particularly true considering that the Lau report does not even mention unapproved claims or the Dresser merger.[80] The January 5, 2000 stock price drop is not evidence of loss causation.

October 24, 2000. After the market close on October 24, 2000, Halliburton issued a press release and held a

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78. AMSF App. 43 (Nettesheim Rep. ¶ 88).

79. AMSF App. 45 (Nettesheim Rep. ¶ 92) (emphasis added).

80. App. 128-29 (Jan. 5, 2000 Brown Brothers Harriman & Co. Report). Nettesheim cites a Merrill Lynch report by analyst K. Simpson in which Simpson explains that he cut earnings estimates for a number of reasons, some of which Nettesheim admits are nonculpable. AMSF App. 42 (Nettesheim Rep. ¶ 89). Simpson references "less powerful synergies from the *Dresser* merger than *[h]e* had envisioned." AMSF App. 42 (Nettesheim Rep. ¶ 89) (emphasis added). A single analyst report referencing *his own* prior expectation about Dresser (and not Halliburton's), does not even rise to the level of "well-informed speculation," which the Fifth Circuit held is *not* probative of loss causation. *See Oscar*, 487 F.3d at 271. Under *Oscar*, Nettesheim's mere review of Simpson's report is no evidence of loss causation. *Id.*; *see also* App. to Motion to Strike (Allen Report at 24-25, 29-30).

conference call with analysts. The press release disclosed the following negative news: (1) BRES's operating income of $10 million in the 2000 third quarter was negatively impacted by continuing low capacity utilization and by delayed customer projects; (2) Engineering and Construction Group business segment's revenues in the 2000 third quarter was a declined 21 percent from the previous year; (3) the Engineering and Construction Group's revenue decline was attributable to reduced customer spending associated with KBR's downstream petroleum industry; (4) operating income for the Engineering and Construction Group was flat compared to the previous year.[81]

Analyst reports following the October 24, 2000 conference call indicate the market's awareness of the following news: (1) lower earnings in the Engineering and Construction segment;[82] (2) depressed outlook for customer spending and the lack of profit predictability in the shallow water marine construction market;[83] (3) reduced customer spending in the KBR downstream petroleum business;[84] (4) plans for restructuring of the

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81. App. 111-13 (Oct. 24, 2000 Press Release, *Halliburton Releases Third Quarter Earnings, Up Significantly Over Prior Year and Previous Quarter*).

82. App. 149-54 (Oct. 25, 2000 CIBC World Markets Report); App. 138-41 (Oct. 25, 2000 Morgan Stanley Report); App. 142-44 (Oct. 25, 2000 Paine Webber Report); App. 145-48 (Oct. 25, 2000 Salomon Smith Barney Report).

83. App. 149-54 (Oct. 25, 2000 CIBC World Markets Report); App. 142-44 (Oct. 25, 2000 Paine Webber Report).

84. App. 149-54 (Oct. 25, 2000 CIBC World Markets Report); App. 142-44 (Oct. 25, 2000 Paine Webber Report).

Engineering and Construction segment;[85] (5) lower than expected international revenues and decreased international spending by major oil companies;[86] (6) increased concerns about exposure to asbestos liability.[87]

Nettesheim admits that she "did not go back and match this partial disclosure with any particular statement."[88] Rather, she concludes with no explanation that the variety of news percolating in the market somehow related to unapproved claims and the lack of benefits from the Dresser merger.[89] And *presto*, loss causation! Under *Greenberg*, *Oscar*, and *Flowserve*, it is not that easy. First, neither the Company's statements nor the analyst reports say a single thing about unapproved claims or the Dresser merger. This is another instance in which the disclosure and the prior (unspecified) misrepresentation have no apparent relationship and loss causation is therefore absent. *See, e.g.*, *Flowserve*, 2007 WL 3357962, at *13 (holding that a disclosure accompanying a stock price drop is not corrective simply because it revealed the true financial condition of a company).

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85. App. 149-54 (Oct. 25, 2000 CIBC World Markets Report); App. 135-37 (Oct. 25, 2000 Dain Rauscher Wessels Report); App. 138-41 (Oct. 25, 2000 Morgan Stanley Report); App. 145-48 (Oct. 25, 2000 Salomon Smith Barney Report).

86. App. 135-37 (Oct. 25, 2000 Dain Rauscher Wessels Report).

87. App. 135-37 (Oct. 25, 2000 Dain Rauscher Wessels Report).

88. App. 57 (Nettesheim Dep. 137).

89. AMSF App. 47, 51 (Nettesheim Rep. ¶¶ 93, 103).

Second, there is no proof that a significant amount of the stock price drop is due to the revelation of the truth regarding any prior misrepresentation. *See Oscar*, 487 F.3d at 270. Again, Nettesheim relies on her review of analyst reports and news stories to determine the cause of the price decline.[90] Her analysis of that news, however, bears little relation to the facts. For example, she contends that because analysts reported on problems with the Engineering and Construction segment (specifically, KBR), that showed that a significant portion of the stock price decline on October 25, 2000 was related to the Company's booking of unapproved claims and the lack of benefits of the Dresser merger.[91] She fails to recognize, however, that the BRES business unit, not KBR, conducted the majority of projects on which the Company booked unapproved claims.[92] She also fails to consider that the challenges facing the KBR business unit were driven by reduced customer spending, not alleged problems with the Dresser merger.[93]

If the analyst reports show anything, they reveal that a variety of negative information existed in the marketplace. Most, if not all, of that information—low customer spending in KBR's downstream petroleum business[94] and decreased international spending by major

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90. AMSF App. 46-47 (Nettesheim Rep. ¶ 93).

91. AMSF App. 47-52 (Nettesheim Rep. ¶¶ 95-105

92. *Morris*, 2007 WL 614210, at *1.

93. App. 135-37 (October 25, 2000 Dain Rauscher Wessels Report).

94. App. 135-37 (October 25, 2000 Dain Rauscher Wessels Report).

oil companies,[95] for example—bears no relation to the allegations regarding unapproved claims or the Dresser merger. Nettesheim does not provide any empirical evidence that the stock price decline was due to revelation of any alleged misrepresentation as opposed to this nonculpable information. *See Oscar*, 487 F.3d at 270. In fact, Nettesheim does not even prove that there was *any* corrective disclosure on October 24, 2000, much less that such disclosure caused the stock price decline.[96]

December 22, 2000. On December 21, 2000, the company issued a press release formally announcing the restructuring of its engineering and construction units into one business segment and stating that the company would take an after-tax charge. The charge related to (1) restructuring costs (such as severance costs associated with reduction of senior management positions); (2) current losses during the quarter on KBR's construction joint ventures, much of which was caused by labor disturbances in Venezuela and West Africa; (3) and some unapproved claims, which the company was unable to favorably resolve with customers.[97]

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95. App. 135-37 (October 25, 2000 Dain Rauscher Wessels Report).

96. *See* App. to Motion to Strike (Allen Report at 25-27, 30).

97. App. 114-16 (December 21, 2000 Press Release, *Halliburton Announces New Structure and Engineering and Construction Charges*). Recording of current losses is not and cannot be a correction of any prior misstatement. Additionally, the Company's decision to take a charge for prior unapproved claims does not mean that the prior recording of such unapproved claims was improper.

Nettesheim cannot connect this release, which makes no mention of the Dresser merger, to any nonconfirmatory prior statement about Dresser.[98] Her claim that this disclosure relates generally to allegations regarding unapproved claims and cost overruns[99] is contrary to *Greenberg's* requirement of a specific corrective connection. *See Greenberg*, 364 F.3d at 668 (holding that a disclosure concerning third quarter expectations had no relationship with a prior alleged misrepresentation concerning first and second quarter results). Additionally, as the *Flowserve* court held, a disclosure of a change in circumstances—here, an unfavorable resolution of unapproved claims with its customers—does not constitute a correction of a prior statement.[100] *See Flowserve*, 2007 WL 3357692, at *18 & n.31.

Nettesheim does not explain how losses during the quarter on KBR joint venture projects never mentioned in the Fourth Complaint could possibly relate to any alleged prior misrepresentation. Analyst commentary indicates that these losses related to labor disturbances, a shrinking customer base resulting from consolidations, and financially troubled competitors who were driving

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98. As discussed above, there is no allegation of a nonconfirmatory statement during the class period about Dresser. *See supra* p. 5.

99. App. 56 (Nettesheim Dep. 130)

100. AMSF has not presented evidence of when the company originally recorded the unapproved claims discussed in this release and whether that recording was even during the class period and therefore actionable.

down prices.[101] The release plainly contains nonculpable negative news.[102] But when Nettesheim responded to a question about whether she conducted any statistical analysis of the various factors affecting the stock price decline, she explained that she reviewed news reports (which themselves contain multiple pieces of negative news).[103] She conducted no empirical analysis separating the various potential reasons for the stock-price decline as required by *Oscar*. The December 22, 2000 decline in stock price is therefore no evidence of loss causation.

June 28, 2001. On June 28, 2001, Halliburton issued an after-market press release stating that Harbison-Walker Refractories Company, a former subsidiary of Dresser had requested Halliburton's financial assistance for asbestos claims Harbison-Walker assumed financial responsibility for when it was spun off from Dresser in 1992.[104] Halliburton could not have disclosed this information until June 2001 because Halliburton had only then received Harbison-Walker's request for assistance.[105]

Nettesheim contended there was a sufficient link between this disclosure and a prior—but unidentified—misstatement merely because the disclosure "talk[ed]

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101. App. 151 (December 22, 2000 CIBC World Markets Report at 3).

102. *See* App. to Motion to Strike (Allen Report at 27-28, 31).

103. App. 55 (Nettesheim Dep. 128).

104. App. 117-18 (June 28, 2001 Press Release, *Harbison-Walker Asks Halliburton for Assistance*).

105. App. 102 (June 2001 10-Q at 11).

about asbestos claims."[106] She could not, however, provide any evidence that the disclosure revealed the falsity of any specific prior misrepresentation, as required by *Greenberg*. In fact, she refused to testify that the disclosure contained information that Halliburton should have disclosed earlier.[107] There is no such evidence. The release itself states that Harbison-Walker's request was an "unexpected development" and that Harbison-Walker had recently reaffirmed its responsibility for the relevant asbestos claims.[108] There is no proof that this disclosure is corrective, and it is therefore no evidence of loss causation. *See Flowserve*, 2007 WL 3357962, at *18 (holding that an unexpected disclosure's negative effect on the price of the stock does not demonstrate any corrective effect).[109]

August 9, 2001, October 31, 2001, and December 4-7, 2001. On August 9, 2001, Halliburton filed its Form 10-Q, which Nettesheim admits contained a "lot of information"[110] including that the Company increased its reserves for known asbestos claims. The Fourth Complaint does not allege that this 10-Q contained any corrective disclosure. On October 30, 2001, the Company issued a press release concerning a jury verdict in a Mississippi asbestos suit against Harbison-Walker.[111] The

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106. App. 54 (Nettesheim Dep. 124).

107. App. 54 (Nettesheim Dep. 123).

108. App. 117-18 (June 28, 2001 Press Release, *Harbison-Walker Asks Halliburton for Assistance*).

109. *See also* App. to Motion to Strike (Allen Report at 33-39).

110. App. 53 (Nettesheim Dep. 121).

111. App. 119-20 (Oct. 30, 2001 Press Release, *Halliburton Disputes Asbestos Claims*).

Fourth Complaint does not mention this press release or claim that it resulted in losses to the class. On December 4, 2007, the Company announced that a Texas court entered judgment in asbestos litigation against Dresser.[112] On December 7, 2001, the Company issued a press release concerning a Maryland jury verdict in an asbestos suits against Dresser.[113]

Nettesheim merely contends that these disclosures generally relate to prior, unidentified statements about asbestos.[114] Despite the requirement in *Greenberg* that there be evidence that such disclosures "specifically reveal[]" a prior misrepresentation, Nettesheim provided no testimony of any such prior misrepresentation and could not explain when or why Halliburton should have disclosed this information earlier.[115] Halliburton's increase of its asbestos reserves in the August 2001 10-Q results from the previously announced inability of Harbison-Walker to satisfy its indemnitee obligations, reflects a change Halliburton's estimation of its liability on pending claims, and is no evidence of a corrective disclosure.[116] Further, disclosures of adverse jury verdicts—particularly when, as here, the disclosure occurred within days of the verdict—corrects nothing. *Flowserve*, 2007 WL 3357692,

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112. App. 107 (Dec. 4, 2001 Form 8-K at 2).

113. App. 121-23 (Dec. 7, 2001 Press Release, *Halliburton Comments on Asbestos Judgments*).

114. App. 52, 53 (Nettesheim Dep. 110-11, 120, 121).

115. App. 53 (Nettesheim Dep. 120).

116. App. 103 (June 2001 10-Q at 12); App. to Motion to Strike (Allen Report at 37).

at *19 (holding that a negative disclosure is not necessarily a corrective disclosure).[117] In fact, the disclosures merely confirmed the Company's previous and repeated warning that a series of such results "could materially impact" its expectations regarding resolutions of its asbestos claims.[118]

For all these reasons, and the reasons in the Expert Report of Dr. Lucy Allen, these eight disclosures cannot be construed as corrective and provide no evidence of loss causation. Because AMSF has provided no evidence of loss causation, class certification must be denied.

II. A class should not be certified as to Lesar because AMSF has not and cannot prove loss causation as to any misrepresentation attributed to him.

AMSF did not even attempt to prove the most basic element of its securities claim against Lesar—that a statement he made inflated the stock price. Nettesheim identifies only two dates late in the more than 600-day class period on which the stock price increased. On neither of those dates did Lesar make a factual statement that AMSF has alleged to be false. Nor does AMSF or its expert claim that either of these statements support loss causation. Nettesheim's failure to demonstrate inflation of the stock price due to a statement by Lesar during the class period is fatal. *See Zonagen*, 322 F. Supp. 2d at 776.

Likewise, Nettesheim fails to identify any disclosure

117. *See also* App. to Motion to Strike (Allen Report at 34-38).

118. *See* App. 78 (1999 Form 10-K at 44).

accompanying a stock price drop that corrects any prior actionable statement by Lesar. As discussed above, his statement concerning benefits from the Dresser merger is confirmatory and thus not actionable, and none of the eight disclosures Nettesheim identifies could possibly be construed as correcting the statement. *See supra* pp. 5, 23-31. As Nettesheim freely admits, she did not link any of the eight disclosures to any prior particular statement, including any statement by Lesar. Her analysis does not pass muster in the Fifth Circuit, and class certification must be denied as to Lesar. *See Greenberg,* 364 F.3d at 667; *Flowserve*, 2007 WL 3357692, at *11-12. AMSF has failed to prove loss causation (which Defendants contend it never pleaded) as to Lesar. The Court should not only refuse to certify a class as to him but should also grant the pending motion for reconsideration and dismiss any claims in the Fourth Complaint against Lesar.

III. Proposed class representatives Murphey and AMSF are neither typical nor adequate.

Neither Murphey nor AMSF have made the requisite showings to satisfy the typicality and adequacy requirements imposed under Rule 23(a). Murphey has not been appointed by the Court as a lead plaintiff, and AMSF's Motion offers no reason whatsoever for appointing him as class representative. His vulnerability to a number of unique defenses, his unfamiliarity with and lack of control over the litigation, and his small stake in the outcome of the litigation make him an improper representative. Similarly, unique defenses that may be asserted against AMSF render it an atypical and inadequate class representative.

Appendix C

A. Rule 23(a)'s requirements for typicality and adequacy.

A plaintiff's claims lack typicality if his legal or factual position is "markedly different from that of other [class] members, even though common issues of law or fact are raised." *Kas v. Fin. Gen. Bankshares, Inc.*, 105 F.R.D. 453, 461 (D.D.C. 1984). Thus, "the typicality requirement is not met when the circumstances of the representatives or the legal theory upon which their claims are premised are notably different from circumstances or claims of the class members." *Weikel v. Tower Semiconductor, Ltd.*, 183 F.R.D. 377, 390 (D.N.J. 1998). Similarly, when the representatives' claims and the defendants' defenses thereto "will be dominated by individual evidence," the typicality requirement of Rule 23(a)(3) is not satisfied. *Martin v. Home Depot U.S.A., Inc.*, 225 F.R.D. 198, 201 (W.D. Tex. 2004); *In re FirstPlus Fin. Group, Inc., Sec. Litig.*, No. Civ. A. 3:98-CV-2551-M, 2002 WL 31415951, at *5 (N.D. Tex. Oct. 28, 2002).

The typicality requirement of Rule 23(a)(4) is heightened in securities cases because "the PSLRA raises the standard adequacy threshold," requiring that "competent plaintiffs, rather than lawyers, direct such cases." *Berger*, 257 F.3d. at 483-84. "[B]ecause absent class members are conclusively bound by the judgment in any class action brought on their behalf, the court must be especially vigilant to ensure that the due process rights of all class members are safeguarded through adequate representation at all times." *Id.* at 480; *Ogden v. AmeriCredit Corp.*, 225 F.R.D. 529, 532 (N.D. Tex. 2005). Accordingly, the Fifth Circuit has interpreted Rule 23(a)(4) to mandate an inquiry not only into the "zeal and

competence of the representative[s'] counsel," but also into "the willingness and ability of the *representative[s]* to take an *active role in and control* the litigation and to protect the interests of the absentees." *Berger*, 257 F.3d at 479 (quoting *Horton v. Goose Creek Indep. Sch. Dist.*, 690 F.2d 470, 484 (5th Cir. 1982) (emphasis added). A class representative is inadequate when the evidence demonstrates that his or her understanding of the case is "limited to derivative knowledge acquired solely from counsel." *Berger*, 257 F.3d at 483 n.18; *Ogden*, 225 F.R.D. at 535; *Krim v. pcOrder.com, Inc.*, 210 F.R.D. 581, 587 (W.D. Tex. 2002).

B. Murphey is neither typical nor adequate as required by Rule 23(a).

1. Murphey cannot satisfy the typicality requirement.

Murphey—basically a day-trader, who profited from buying Halliburton stock and whose class period trades occurred before any alleged artificial inflation in the stock price—fails to satisfy the typicality requirement because he is subject to unique defenses concerning his reliance. *See Warren v. Reserve Fund, Inc.*, 728 F.2d 741, 747 (5th Cir. 1984) (affirming denial of class certification because, among other reasons, of "concern that representation of the class will suffer if the named plaintiff is preoccupied with a defense . . . applicable only to himself").

First, as a day-trader, he looked at short-term price patterns of Halliburton stock, rather than the market price, to determine whether to buy or sell the stock.[119] He

119. App. 37-40 (Murphey Dep. 149-51; 156-58).

frequently bought and sold Halliburton stock on the same day.[120] Evidence that a person "focuses on technical price movements rather than price" is a "compelling reason to rebut the [fraud on the market] reliance presumption." *See In re Safeguard Scientifics*, 216 F.R.D. 577, 582 (E.D. Pa. 2003).[121]

Second, Murphey profited from every trade he made during the class period, and is therefore not a typical representative.[122] *See In re Organogenesis Sec. Litig.*, 241 F.R.D. 397, 401 (D. Mass 2007) (concluding that the plaintiff would not be a typical representative if he actually benefited from an artificially inflated price). The only shares that he held at the end of the class period—the 300 shares he bought on September 13, 2000 for $15,843.75—he still holds today. Those shares have grown through stock splits and dividend reinvestments to over 600 shares and are worth considerably more than Murphey paid.[123]

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120. App. 37-40 (Murphey Dep. 149-51; 156-58).

121. Murphey also admits that he relied on non-market information in making the decision to purchase Halliburton stock. Unlike other class members, he bought Halliburton stock because he *personally* observed Halliburton's work overseas, and even he believes that there is not "another person in the class" who invested for these reasons. App. 35-36 (Murphey Dep. 133–34).

122. *See* App. 42 (Murphey Dep. 164-65) (admitting that he profited on every sale of Halliburton stock during the class period and therefore had a 100 percent success rate); *see also* App. 255 (Ben Alan Murphey Class Period Trades).

123. *See* App. 42-44 (Murphey Dep. 165-70); *see also* App. 158-254, (Yahoo! Finance Stock Price Chart).

Third, the timing of Murphey's transactions demonstrates Murphey's atypical position with respect to reliance and injury.[124] All of Murphey's class period trades occurred between March 14, 2000 and September 13, 2000,[125] and before the only two instances of a statistically significant price increase that AMSF's expert has tied to any Halliburton-specific statement.[126] Thus, Murphey is subject to the defense that he cannot benefit from the fraud-on-the-market presumption because he did not trade any shares "between the time [any actionable] misrepresentations were made and the time the truth was evealed."[127] *See Greenberg*, 364 F.3d at 661.

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124. Plaintiffs purport to rely on the fraud-on-the-market theory to establish a "class-wide presumption of reliance." Motion at 16. "Ordinarily, under a fraud-on-the-market theory, there is a presumption that an investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Safeguard*, 216 F.R.D. at 582 (internal quotations omitted). However, a defendant may rebut the presumption by "showing that . . . the plaintiff would have made the purchase regardless of the misstatement/omission." *Id.*

125. App. 38, 42-44 (Murphey Dep. 152-54, 165-66, 171).

126. *See* AMSF App. 20-23 (Nettesheim Rep. ¶ 45) (identifying first such increase on April 26, 2001).

127. Moreover, all of Murphey's trades occurred on or after the day that Halliburton issued its 1999 Form 10-K, which disclosed Halliburton's accounting for unapproved claims and therefore cannot be based on the alleged misrepresentations related to those claims. *See* App. 38 (Murphey Dep. 152:3-153:16); App. 76 (1999 Form 10-K at 34).

2. Murphey cannot satisfy the adequacy requirement.

Murphey sued Halliburton many months after this class action was first filed,[128] and he did so only after being contacted by Neil Rothstein, AMSF's "special counsel" with whom he had had no prior contact.[129] Murphey's testimony shows that he lacks the necessary understanding of the allegations and the procedural history of this case to serve as a class representative.[130]

He is not in control of the litigation.[131] He does not remember having any input into the filing of the original complaint filed in his name;[132] he admits it was not his decision to file the Fourth Complaint;[133] and he does not know if he reviewed the class certification motion before it was filed with the Court.[134] In fact, Murphey does not even actively contact his lawyers.[135] He is unfamiliar with the parties to the suit, the remaining claims at issue, or

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128. App. 26-27 (Murphey Dep. 53-55).

129. App. 25, 29-30 (Murphey Dep. 34-35, 64-66).

130. App. 30, 32, 34, 45 (Murphey Dep. 62; 106-08; 109; 122-23; 201).

131. App. 46 (Murphey Dep. 211).

132. App. 28 (Murphey Dep. 59–60).

133. App. 33 (Murphey Dep. 119).

134. App. 33 (Murphey Dep. 120-21).

135. App. 32 (Murphey Dep. 109).

whether any claims have been dismissed.[136] Accordingly, Murphey is not an "active, able class representative[] who [is] informed and can demonstrate that [he is] directing the litigation." *Berger*, 257 F.3d at 483; *see also Kase*, 218 F.R.D. at 159 (finding named plaintiff an inadequate representative because he had "not participated in many of the key strategic decisions" in the case and he had "stated that he would permit class counsel to pursue [the] lawsuit as they saw fit"); *Krim*, 210 F.R.D. at 588 ("An example of an adequate class representative is one with 'commendable familiarity with the complaint . . . .'") (quoting *Horton*, 690 F.2d at 484).

A putative class representative is also inadequate if he has "an insufficient stake in the outcome." *Jenkins v. Raymark Indus., Inc.*, 782 F.2d 468, 472 (5th Cir. 1986).[137] As discussed above, Murphey did not lose money; he actually profited by purchasing Halliburton stock. Because Murphey, by his own admission, does not have enough at stake in the outcome "to ensure zealous advocacy," he will not adequately protect the interests of the unnamed class members. *See Vodak v. City of Chicago*, No. 03 C 2463, 2006 WL 1037151, at *6 (N.D. Ill. Apr. 17, 2006).

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136. App. 45, 34, 32 (Murphey Dep. 201, 122-23, 106-08).

137. The rebuttable presumption in the PSLRA that the most adequate plaintiff is the person with "the largest financial interest in the relief sought by the class" further illustrates the importance of a class representative's financial interest in the outcome of the litigation. 15 U.S.C. § 78u-4(a)(3)(B)(iii)(bb) (2000).

C. AMSF cannot satisfy the typicality and adequacy requirements.

1. AMSF's complete reliance on money managers renders it atypical and/or inadequate.

Because AMSF decided to grant unfettered authority over its investment decisions to third parties, it cannot satisfy the typicality requirement. Courts have recognized that plaintiffs who rely solely upon third parties to make investments are subject to a unique defense—namely that they have not relied upon the misrepresentations and omissions allegedly made by the defendant to the market. *See In re Caremark Int'l, Inc. Sec. Litig.*, No. 94 C 4751, 1996 WL 351182, at *6 (N.D. Ill. June 24, 1996); *see also Fry v. UAL Corp.*, 136 F.R.D. 626, 635-36 (N.D. Ill. 1991).[138] As such, they may be atypical or inadequate

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138. No court within the Fifth Circuit has addressed whether a proposed class representative who delegates authority over its investments to a third party satisfies the typicality and/or adequacy requirements of Rule 23(a). But the *Caremark* and *Fry* decisions holding that plaintiffs who abdicate their investment decisions to others are not adequate or typical are consistent with the Fifth Circuit's careful approach to the Rule 23 requirements. In contrast, some courts have found such plaintiffs adequate and typical in circumstances not present in this case. *See In re Vicuron Pharm., Inc. Sec. Litig.*, 233 F.R.D. 421, 426-27 (E.D. Pa. 2006) (approving class representative that delegated investment decisions to a manager but created investment guidelines and monitored investment activities); *Dorchester Invs. v. Peak Trends Trust*, 2002 WL 272404, at *8-9 (S.D.N.Y. Feb 26, 2002) (approving class representatives despite discretationary accounts because it did not appear that they had never followed the affairs of the company or had learned about the investment only after the fact).

and cannot serve as class representatives.

In *Fry*, the court refused to allow plaintiff Marra to be a class representative because (1) Marra stated that a third party had "complete discretionary authority over his account"' (2) Marra did not follow the affairs of UAL; and (3) Marra "was not even aware that his funds had been invested" in UAL. *Fry*, 136 F.R.D. at 636. The court reasoned that "someone who abdicated complete authority over his relevant financial affairs" could not be found an adequate representative. *Id.* Similarly, in *Caremark*, the court held that "a certain minimal level of participation by the plaintiff in the relevant stock transaction must be demonstrated" in order for that plaintiff to satisfy the typicality or adequacy requirements of Rule 23(a). *Caremark*, 1996 WL 351182, at *6 (quoting *Fry*, 136 F.R.D. at 635). In refusing to certify one of the plaintiffs as a class representative, the *Caremark* court stated that "[p]lainttiffs have not been permitted to act as class representative in securities litigation where they did not participate in the investment decision *at issue*." *Id.* (emphasis added). Because the plaintiff in *Caremark* "had no input into the decision to purchase the Caremark Stock and learned of it only after it had occurred," he was precluded from being a class representative. *Id.*

AMSF, like the plaintiffs in *Fry* and *Caremark*, made no decisions whatsoever regarding the purchase of the stock at issue in this case.[139] Instead, AMSF relied exclusively on its money managers during the class period

139. App. 14 (AMSF Dep. 113). AMSF continues to this date to completely delegate authority over its investments to third parties. App. 3, 14 (AMSF Dep. 23, 113).

to make any and all decisions related to the purchase or sale of *any* stock. AMSF granted these money managers "full discretionary authority."[140] AMSF therefore never made the most basic decisions about whether or when to purchase or sell its Halliburton stock.[141] In fact, AMSF could not recall how or when it first learned that it owned Halliburton stock,[142] and was not even aware that it owned Halliburton stock until AMSF was informed by its money managers that it had been purchased on AMSF's behalf.[143] Moreover, AMSF did not know why its money managers purchased Halliburton stock,[144] or what its money managers intended to do with it once it was purchased.[145]

AMSF relied exclusively on its money managers not only to make stock purchase and sale decisions, but also to monitor all of its investments. AMSF admitted that because its "investment strategy is handled completely by consultants," it did not know other basic information about its investments, including whether AMSF employs money managers who buy and sell stock on the same day,[146] or what "general strategy" the money managers follow.[147]

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140. App. 5, 19 (AMSF Dep. 30, 133).

141. App. 15-16 (AMSF Dep. 117-18).

142. App. 6 (AMSF Dep. 47).

143. App. 4, 6, 16 (AMSF Dep. 26-27, 47-48, 118-19).

144. App. 16, 17, 20 (AMSF Dep. 118, 124; 167).

145. App. 16, 18 (AMSF Dep. 119, 127).

146. App. 12-13 (AMSF Dep. 93-94).

147. App. 13 (AMSF Dep. 95-96).

Appendix C

The facts surrounding AMSF's delegation of unfettered discretion to its money managers in connection with its investments are identical to those in both *Fry* and *Caremark*. As a result, AMSF does not meet the typicality requirement of Rule 23(a) and it cannot serve as a class representative. *In re Caremark*, 1996 WL 351182, at * 6.

2. AMSF Is Not an Adequate Representative of the Putative Class.

Throughout this litigation Paula John, AMSF's President and CEO and former law school classmate of AMSF's special counsel, Neil Rothstein,[148] has been the client representative of AMSF. Naturally, Halliburton's counsel expected (as AMSF's counsel had represented) that John would appear for the Rule 30(b)(6) deposition of AMSF. Instead, upon arriving at the deposition, Halliburton learned that AMSF would offer Patrick Byrne, who could not answer a number of questions that were integral to issues related to class certification and AMSF's adequacy as a class representative.[149]

John's absence from the AMSF deposition is indicative of who is actively directing the litigation: AMSF's lawyers, not AMSF. *Berger*, 257 F.3d at 483-84. AMSF

148. *See* App. 156 (Roger Parloff, *Lerach Firm Will Fight Client to Stay in Halliburton Case, Fortune*, Dec. 13, 2006, at 2, available at http://legalpad.blogs.fortune.cnn.com/2006/12/13/lerach-firm-will-fight-client-to-stay-in-halliburton-case (last visited Nov. 15, 2007).

149. App. 7-8, 9 (AMSF Dep. 53, 54, 59).

also admitted that it had very limited knowledge about the confidential sources upon which part of its complaint relies and could not even confirm whether AMSF had previously been in contact with those sources.[150] Quite simply, it appears as though the idea for the lawsuit, as well as the development of the factual allegations on which it is based, came from counsel, not AMSF. A proposed class representative, even if aware of the facts regarding the lawsuit, is an inadequate representative if he has left it to the attorneys to direct and develop the case. *See Kase v. Salomon Smith Barney, Inc.*, 218 F.R.D. 149 (S.D. Tex. 2003).

CONCLUSION

The Court should deny AMSF's motion for class certification. There is no evidence of loss causation. In fact, AMSF's expert demonstrates that Halliburton's stock price was not inflated due to any alleged misrepresentation. Additionally, the proposed class representatives are neither adequate nor typical of the proposed class.

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150. App. 10-11 (AMSF Dep. 73-76).

Appendix C

EXCERPTS OF DEPOSITION OF JANE NETTESHEIM IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION, DATED OCTOBER 16, 2007

[1] IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf of Itself and All Others Similarly Situated,

Lead Plaintiff,

vs.

HALLIBURTON COMPANY and DAVID J. LESAR,

Defendants.

Civ Action No. 3:02-CV-1152-M

DEPOSITION OF JANE NETTESHEIM
New York, New York
Tuesday, October 16, 2007

Reported by:
Adrienne M. Mignano
JOB NO. 198024

Appendix C

[2] October 16, 2007

9:35 a.m.

Deposition of JANE NETTESHEIM, held at the offices of Boies, Schiller & Flexner, 575 Lexington Avenue, New York, New York, pursuant to Notice, before Adrienne M. Mignano, a Notary Public of the State of New York.

[3] APPEARANCES:

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BY: JOSE L. GONZALEZ, ESQ.

[4] IT IS HEREBY STIPULATED AND AGREED, by and between counsel for the respective parties hereto, that the filing. sealing and certification of the within deposition shall be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial;

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

[5] Nettesheim

JANE NETTESHEIM, called as a witness, having been duly sworn by a Notary Public, was examined and testified as follows:

EXAMINATION BY MR. STERLING:

Q. Tell us your name, please.

A. Jane Denise Nettesheim.

Q. The "H" is silent as you pronounce it?

A. Yes.

Q. I'm sorry. By whom are you employed?

A. Stanford Consulting Group.

Q. What is Stanford Consulting Group?

A. It's a consulting firm. We do economics, financial economics, and most of our work is in the area of litigation support.

Q. What percentage of Stanford Consulting Group revenues are related to litigation support?

A. Well over 90 percent.

Q. What is your position with

* * *

[74] find any statements made by Halliburton during the class period which increased in a statistical manner the stock price other than the April 26, 2001 increase in estimates and the July 26, 2001 release of earnings?

MS. BOIES: Can you read that back.

(Record read)

A. That's correct.

Q. And am I also correct that you did not do any analysis of statements made by Halliburton or anybody

acting on behalf of Halliburton before the class period which increased in a statistically significant manner the stock price of Halliburton?

A. I did not look at any statements before the class period.

Q. So as we sit here today, based upon all the work that you have done on this case, the only statements ever made by Halliburton which according to your analysis had an impact positively on the stock price were the April 26, 2001 [75] increase in estimates and the July 26, 2001 earnings announcement?

A. No, that's not correct.

Q. What's incorrect about that?

A. Could you read back the question?

(Record read)

A. I stand by my answer.

Q. And your answer was?

A. That — your question was something about any positive impact, and we have had an extensive discussion about statistically significant positive returns, but not any positive impact.

Q. You lost me, I'm sorry.

A. I did not look at every Halliburton statement during the class period and then look to see whether or not the stock price went up.

Q. Sure. What you did was you looked at the dates in which there was a statistically significant return with a positive or negative, correct?

A. Correct.

[76]Q. And my question, I'll rephrase it, is: Did you find — other than the April 26, 2001 increase in Halliburton's earnings estimates and the July 26, 2001 earnings announcement, did you ever find any statements made by Halliburton which had a statistically significant positive impact on Halliburton stock price?

A. Those were the two days there were significantly — significant positive increases in the stock price, and there were specifically that I have found at this point company announcements.

Now, Exhibit 18 to my report, there are lots of days where the stock price goes up. And there may be Halliburton news.

Q. But not on a statistically significant manner because you only found seven days where there was a statistically significant manner?

A. Correct, but your earlier question referred to a positive effect.

Q. I don't think so. Let me re-ask [77] it just so we're clear.

Other than the April 26, 2001 increase in Halliburton's earnings estimates and the July 26, 2001 announcement by Halliburton of its earnings, it is correct, is it not, that you did not find any statements by Halliburton which had a statistically significant positive impact on Halliburton stock price?

A. Correct, those are the only two days.

MR. STERLING: Let's take a break.

(Thereupon, a recess was taken, and then the proceedings continued as follows:)

BY MR. STERLING:

Q. Miss Nettesheim, we've finished going through the seven dates as to which you found a statistically significant positive return. Now I would like to focus on the 24 days when you found a statistically significant negative return,

* * *

[82]Q. Would you agree with me that the press release or news release contains multiple pieces of information about the company?

A. Well, it is generally about the Dresser businesses, but there is other information in the press release, yes.

Q. Including the lowering of earnings guidance for the third quarter of 1999?

A. Yes.

Q. And did you do any statistical or mathematical or econometrical analysis to delineate the stock price movement between the multiple pieces of information in that news release?

A. I determined that there was a statistically significant decline on that day, and determined what the — by looking at the news and all of the information on that day, what the decline was attributed to.

Q. Right.

And in my mind, I draw the distinction between looking at the news [83] and the analysts and doing something statistical or econometric or mathematical.

You have got a statistical background. You can do analysis that lots of people can't. Anybody can look and see what the analysts say. And I'm trying to see, did you do anything of a statistical or mathematical nature to delineate the stock movement between the different pieces of information that hit the market that day?

A. I'm not sure which pieces of information you're referring to. If you have something specific in mind.

Q. Just to pick out two pieces of information from that press release, there is the sale of the Dresser joint ventures and there is the lower earnings guidance for the next quarter.

A. Those are somewhat related.

Q. How do you know that?

A. I have paragraph 84 of my report indented, quote refers to the "Dresser [84] Equipment Group business segment and its engineering and construction business segment are warning of lower profits. As a result, Halliburton expects a third quarter profit between 11 and 13 cents a share."

Q. Which is different from the sale of the joint venture, correct?

A. I'm not sure that that is correct.

Q. You don't know one way or the other?

A. Well, it's related because in paragraph 85, it says, "Dresser Industries will sell its stake in two joint ventures to Ingersoll Rand for 1.1 billion after poor performance by the businesses hurt third quarter results."

Q. Right.

A. So I believe that's related.

Q. Well, when you have a sale of joint ventures for a disclosed price, the market may think it is a good price or a bad price, for example?

A. It could, yes.

[85]Q. And when the company also says, as it says here, we're warning of lower profits of our other divisions as well, that could be viewed positively or negatively by the market, correct?

MS. BOIES: Objection. Calls for speculation.

A. Depending on the circumstances.

Q. You would agree that just as your paragraph on page 84 reflects, there were multiple pieces of news regarding Halliburton reflected in this news release?

A. There are different sentences referring to different aspects of the information. I see them as related.

Q. And I think we'll save a lot of 19 time if —

MR. STERLING: Strike that.

Q. Would you agree with me that you did not do any statistical or econometric analysis to delineate the movement in the stock that day between different pieces of information about the company that hit the [86] market that day?

A. As I said earlier, I'm not sure which different pieces you're referring to.

Q. Just the different pieces reflected in paragraph 84 in the blocked quote.

A. As I said, there are different — there are a number of sentences in that quote, but I see that information as related.

Q. How do you see the information about the sale of the two joint ventures to Ingersoll Rand for 1.1 billion as being related to the warnings of lower profits in the engineering and construction business segment?

MS. BOIES: Objection. Asked and answered.

A. Well, the earnings warning is due to the lower profits and part of it is the Dresser Equipment, and then there is a description of what is contributing to the earnings warning, the Dresser Equipment [87] Group and the engineering and construction business.

Q. And then you have the sale of the joint venture for 1.1 billion?

A. Yes.

Q. That's a different piece of information, correct?

A. I see it as related to the Dresser Equipment Group and the earnings warning.

Q. How?

A. Well, as I pointed out in paragraph 85, quoted a news article saying there was poor performance in those businesses that hurt the third quarter.

Q. But am I correct that you did no statistical or econometrical analysis to try to delineate the stock movement on October 5th between any different pieces of information that hit the market on that day?

MS. BOIES: I think that she has answered this now three times. The point of differentiation is the word different. You keep saying analysis [88] between the different pieces of information and she is saying I don't see it as being different. And I think that's where we're sort of butting heads.

Q. Do you agree with Caryl's statement?

MS. BOIES: And I could be wrong.

Q. I'm not trying to put you on the spot or anything.

A. Well, I stand by my answer. I'm not sure what different pieces you're referring to.

Q. In any event, whether you think of all of that in the press release, the press release that you saw, as one piece of information or multiple pieces of information, it's true, isn't it, that you didn't do any statistical or mathematical

or econometrical analysis to try to delineate the stock movement between the different pieces of information?

A. Well, as I said, I see the information as related, It's the earnings [89] warning, and I measured the company specific return on that day.

Q. As you did with every day?

A. I did do that on every day, yes.

Q. Can you tell us or can you point to us a single day on which you found a statistically significant negative return to the stock in which you then went to the next step and did some statistical or mathematical or econometric analysis to try to delineate the stock movement between different pieces of information on the stock that hit the market that day?

A. I did not quantify it specifically, but there are days where I looked at different pieces of information to determine whether or not the different pieces of information could have been important material on those days.

Q. To be fair, and I really am trying to be fair, I think every time you found a statistically significant movement in the stock price. you looked what analysts and news reports said about it to see what [90] they attributed the movement to, correct?

A. In addition to that, I also looked at models of company valuations.

Q. Done by these analysts?

A. Correct.

Q. And my question is real simple. We all know what the answer is. At no time in your analysis did you ever go to the next step yourself and do any statistical, mathematical or econometric analysis to try to delineate stock movement between different pieces of information that hit the market that day about the stock, correct?

A. I don't think that's entirely correct, no.

Q. Because when you looked at how analysts changed their modeling, you looked to see how they attributed it?

A. The analysts' models incorporated the company's discussion or news release and the change in the company's guidance with respect to different aspects of the businesses.

[91]Q. But those models are going forward estimates, correct?

A. Well, they are based on both current reporting, current guidance and then projections.

Q. Those are not models showing here is what the stock price did historically on such and such a date and here is why I think it did that?

A. Well, they do look at the — the stock price is just a per share value of the company. So the models are

looking at valuations of the equity of the company. And when you change certain aspects of the model, you can see where what aspects — how changes with respect to value, different pieces of the company will affect the value of the company as a whole.

Q. Could you have done some type of statistical, mathematical, econometrical analysis to delineate on those days in which you found a significantly statistically price movement upon the [92] different pieces of information that hit the market about the Halliburton stock that day?

A. Yes. I think what you're asking me is something that I was not asked to do.

Q. Have you ever done such an analysis?

A. Yes.

Q. When? In the HomeStore.com case?

A. I don't recall.

Q. In the GenesisIntermedia case?

A. I don't think I did in the GenesisIntermedia case. I'm not sure if I did in the HomeStore case. I have done it in cases, I don't recall specifically, and I have been asked to do other kinds of things.

Q. Walk us through how you go about doing that type of analysis.

A. There could be several — it would depend on the type of information I was looking at, how it was released, the environment in which it was released.

[93]Q. Just generally the methodology?

A. There isn't one general methodology.

Q. How have you done it in the past?

A. I have used discounted cash flow analysis, I have used — I have looked at comparable company analysis.

Q. Have you ever done event studies on the same company to look at other disclosures of similar or related pieces of news that had a statistically significant impact on the stock price?

A. Can you read that back?

(Record read)

A. I'm sorry, could you rephrase the question?

Q. That didn't come out quite right.

Let's say you have three pieces of information. We'd call it A, B and C. And your analysis shows — and it's all released in the same news report oranalyst call or what not, okay?

A. Okay.

Q. And your analysis shows that that

* * *

[110] Halliburton had said, oh, we have this case in Maryland, don't worry about it, we're going to win or anything like that, are you?

A. I don't recall that.

Q. From a loss causation perspective, what, if any, fraudulent statements ever made by the company do you link to the discussion in paragraph 75?

MS. BOIES: Objection. Calls for a legal conclusion.

A. The discussion in paragraph 75 is related to the allegations in the complaint regarding under reserving for the asbestos exposure.

Q. And is there any particular statement that the company ever made that in your mind is shown to be somehow false or fraudulent or misleading based upon "what's discussed in paragraph 75?

MS. BOIES: Objection. Calls for a legal conclusion.

A. As I said in my report, I assumed the allegations in the complaint to be [111] true, and the discussion in paragraph 75 is related to the allegation about the under reserving for the asbestos liability.

Q. What is a reserve?

A. I am not an accountant. I will give you my understanding.

Q. I understand.

A. It is a liability or indication of the size of a potential liability.

Q. It's an estimate, correct?

A. Yes. It may not always be, but I think frequently it is an estimate.

Q. As an estimate, it could be high or low or, oddly enough, be right on the mark, correct?

A. In general, yes.

Q. Is there any particular statement made by the company that you claim that this was, in your phrase, partial disclosure of?

Let me back up.

You refer at several points in your report to partial corrective [112] disclosures; is that correct?

A. I may have used that term.

Q. In fact, if you look at — partial disclosures. If you look at, for example, page 37, APP.039.

A. Are you referring to in paragraph 83?

Q. Yes.

A. Yes, I use that term.

Q. And what in your mind is a partial disclosure as you use the phrase there?

A. Information released to the market that can at least partially correct for alleged misrepresentations and/or omissions.

Q. The announcement on July 7, 2001 discussed in paragraph 75 —

A. Excuse me, that's December 7, 2001.

Q. I'm sorry.

The announcement on December 7, 2001 as discussed in paragraph 75 is a partial disclosure in your mind of what prior statements made by the company?

[113] MS. BOIES: Just so we're clear, it's paragraph 75 of the appendix, not of the actual —

MR. STERLING: Correct.

A. That relates to, as I said earlier, the allegations about the under reserving of the asbestos liability.

Q. And I'll represent to you, and I'm sure you're aware, Halliburton had been reserving for asbestos exposure for a long period of time. And my question to you is: Which statement in your mind is this a partial corrective disclosure of?

A. I would say generally the statements relating to the reserve for the asbestos liability.

Q. Which one?

MS. BOIES: If you can pin it down to one statement.

MR. STERLING: Caryl's point is a fair one.

Q. Can you attribute it to a specific statement or are you attributing it to the company's asbestos reserves?

[114] A. I think I said earlier I was attributing it generally.

Q. To the company's general statement about asbestos reserves?

A. Yes.

Q. As opposed to any particular statement?

A. Well, there were many statements made in the class period, but I'm not attributing paragraph 75 to a particular statement.

Q. And there were many statements before the class period and you're not attributing to any one of those either, correct?

A. I didn't look at statements before the class period.

Q. On the issue about asbestos reserves, you have, among other things, looked at a lot of analyst reports about Halliburton, correct?

A. Yes.

Q. You understood, did you not, through your work on this case that what [115] Halliburton was doing throughout the class period was booking reserves for asbestos exposure for open or pending claims?

MS. BOIES: Can you read back the question.

MR. STERLING: Let me try it again. That didn't —

Q. You understood from your work on this case, did you not, that what Halliburton was doing with respect to asbestos reserves was booking reserve for its pending or open claims?

A. I don't have anything specifically in mind about that. If you want to point me to something where that is specifically what they said, I didn't think of it in those terms.

Q. Let me ask it thisway: You understood, did you not, that throughout the class period, or at no time during the class period did Halliburton suggest to the marketplace that its current asbestos reserve was intended to apply to whatever future exposure the company had to [116] asbestos, no matter how far down the road?

A. As I said earlier, I don't have a specific — I didn't think of it in that way.

Q. Correct, because what the company did, and the company was very clear about this, was their methodology said, whenever we get a new asbestos claim, we look at what our historical net cost of resolving it is and that goes on the books, in so many words?

MS. BOIES: Objection. Is that your testimony of what they have done or are you asking if she agrees with that? I'm not clear that was even a question as much as a statement.

A. I don't know. You would have to show me the company statements to that effect.

Q. You don't recall seeing the company's description of the asbestos reserves and its methodology for it?

A. I recall looking at it generally, but that wasn't something I was looking at [117] specifically so I don't recall specifically what was said.

Q. But you do recall looking at analyst reports, correct?

A. Yes.

Q. And some of those analyst reports commented or opined about the company's asbestos exposure, did they not?

A. Some of them did, yes.

Q. And would you agree with me that all of the analysts who were following Halliburton whose reports you saw at least understood that Halliburton was reserving only for pending or open asbestos claims as opposed to whatever the future universe of asbestos claims may be?

A. You would have to show me the specific analyst reports.

Q. Do you recall ever seeing an analyst report during the class period in which the analyst was professing a belief or an understanding that Halliburton's asbestos reserve was intended to apply for ad infinitum?

[118] A. I don't recall one way or the other.

Q. The bottom line is that the analysts certainly understood that the asbestos reserve was intended to apply to only the pending claims, correct?

MS. BOIES: Objection. Form of the question, and again she already testified that she doesn't recall what the analyst report said, and you're now asking her to draw a conclusion about things that she says she doesn't recall.

Q. As we sit here today with all the analyst reports that you have seen, can you recall a single analyst report during the class period which reflected an understanding from the analyst that he or she thought that the company — that the company's asbestos reserve was intended to apply to the entire future of any asbestos exposure that the company may have?

A. I don't recall one way or the other.

[119] Q. Working backwards on the negative stock price days, the next to last one is December 4 of '01. If you look at paragraph 71 on page APP.102.

That is an announcement about a bad jury verdict in an asbestos case in Texas, correct?

A. Yes.

Q. And, again, I take it you're not saying that the company ever said we're going to win that case in Texas to the marketplace, or we have nothing to worry about, we're never going to get popped in a bad asbestos verdict, correct?

A. I don't recall that specifically, no.

Q. I take it in your mind you relate this announcement on December 4th to all of the company's prior disclosures about asbestos reserves?

A. That's correct.

Q. Now, let's go back to October 31, working backwards in time. Paragraph 62 on page APP.100. Am I correct on that?

[120] A. Yes.

Q. The disclosure there was about an adverse jury verdict in Mississippi, correct?

A. Yes.

Q. And as with the other disclosures of bad jury verdicts, you're not saying that the company ever said to the marketplace, we're going to win this case in Mississippi, are you, correct?

A. I don't recall anything about what the company said about the Mississippi verdict before that day, or the Mississippi case.

Q. If anything, correct?

A. Correct.

Q. In your mind, this disclosure on October 30th relates back to all the company's prior statements about asbestos reserves, correct?

A. Generally, yes.

Q. Next is August 9th of '01, which is, I believe, paragraph 60 on page APP.099. Is that correct?

[121] A. Yes.

Q. And the company statement there is actually a 10Q, correct?

A. Yes.

Q. And a 10Q has a lot of information in it, does it not, typically?

A. Yes.

Q. It is a quarterly news report or a quarterly financial statement, correct?

A. It's a quarterly financial filing with the SEC.

Q. With multiple pieces of information, correct?

A. Yes.

Q. And I take it, again, you would, in your mind, the asbestos related disclosures in the 10Q released on August 9, '01 relate to all the company's prior statements about asbestos?

A. Well, as I said earlier, I didn't think in terms of matching particular prior statements to these disclosures.

Q. So my statement is correct?

A. In general, yes.

[122] Q. The next one is June 29 of '01, and that's in paragraph 54 on page APP.096.

Do you see that?

A. Yes.

Q. And the specific company statement there was, "The announcement following the close of the market on June 28th that Harbison had requested the company's financial assistance with asbestos claims that Harbison had agreed to assume back in 1992."

A. Yes, I see that.

Q. Had the company ever said that Harbison Walker —

MR. STERLING: Actually, let's mark this as the next exhibit. I'm sorry.

(Nettesheim Exhibit 3, News Release, marked for identification, as of this date.)

BY MR. STERLING:

Q. Is Exhibit number 3 the news release that you reference in paragraph [123] 54?

A. Not exactly. I reference a — the news release Dow Jones News Service, and this appears to be — and that

was retrieved from the SEC website. It may be the same, but I don't know that for a fact.

Q. Is it your testimony that sometime — that prior to June 28th, 2001, Halliburton at some point said that Harbison will never request or need our assistance on any of the asbestos claims they agreed to assume back in 1992?

A. No, that's not my testimony.

Q. Is it your testimony that this was — this announcement, June 20th, 2001, was some announcement that Halliburton was required to make earlier than it did?

A. No, that's not my testimony.

Q. Is it your testimony that the request by Harbison for assistance on the asbestos claim that Harbison agreed to was something that should have been predicted by Halliburton and disclosed to the [124] marketplace prior to June 28, 2001?

A. It's not something I examined so it's not my testimony.

Q. So in your mind, this news release on June 28, 2001, was that a partial disclosure of, or is it, again, all of the company's prior statements about asbestos?

A. It relates to the allegations regarding the under reserving of the asbestos reliability.

Q. How does it relate?

A. It is talking about asbestos claims and the potential asbestos liability of Halliburton.

Q. And that's a sufficient link in your mind?

A. Yes.

Q. And next one is December 22 of 2000. We're working in reverse chronological order here.

I believe that's discussed in paragraph 44 on page APP.091.

A. Yes.

Q. And this is a pre-announcement of [125] earnings and announcement of the unveiling of the restructuring of the engineering and construction units, correct?

A. Yes.

MR. STERLING: Let's mark that as the next one.

(Nettesheim Exhibit 4, Announcement, marked for identification, as of this date.)

BY MR. STERLING:

Q. Is Exhibit 4 the announcement that you reference in paragraph 44?

A. This isn't exactly the form that I have seen it in, and it has the same title, and it looks like a news wire, and I reference the PR news wire.

Q. Would you agree with me that there are certainly multiple pieces of information in that news release?

A. There is information in the news release. I don't know how you want to parse it.

Q. In your mind, is this one piece of information or multiple pieces of [126] information contained in Exhibit number 4?

A. Well, I think it is referring generally to the restructuring and to the charges. It refers to generally the engineering and construction projects.

Q. And it talks about reorganization charges?

A. Yes, that's what I said earlier.

Q. And it talks about the backlog in engineering and construction, correct?

A. There is — well, there is — I mean, generally, it contains information about the engineering and construction business. And it gives you some information about that business.

Q. And it also provides earning guidance, does it not, for the fourth quarter of 2000?

A. Yes, it does.

Q. Would you agree with me that we have multiple pieces of information in Exhibit number 4?

A. I don't know how you would describe multiple pieces of information. [127] There is information about the engineering and construction business, and then there is a description of different aspects of engineering and construction business.

Q. And in your mind — well, as to this news release, we can agree that you did no statistical, mathematical or econometrical analysis to determine which piece of information moved the stock price down that day?

A. Well, I think, as I said in my report, I attribute — I did the statistical analysis which looked at the declines in the stock price on the 21st and 22nd of December, and attributed it to the information regarding the changes with respect to the engineering and construction business.

Q. But my question is: Did you do any statistical or mathematical or econometric analysis to reach that conclusion?

A. Yes. As I said, I looked at the company specific stock returns on that day [128] and a statistical analysis.

Q. We're going beyond — we found a long time ago that you saw a statistically significant negative price decline. Now I'm asking: Did you do any mathematical, statistical

or econometrical analysis after that to determine which piece of information that day drove the stock price?

A. Well, I think looking at all of the news, the analyst reports, looking at the changes in the analyst models.

Q. Looking at news reports is not statistical analysis.

A. Well, I looked at all of the news that I could find at this point. So it wasn't a picking and choosing of the news.

Q. I didn't suggest that it was.

All I'm suggesting is that anybody can look at the news. My question is: What statistical or mathematical or econometrical analysis did you do, if any, to try to delineate which piece of information that day, or pieces of [129] information, impacted the stock price?

A. On this particular day, I don't recall if I looked at the analysts — there were some discounted cash flow analyses, which you have characterized that anybody could read and understand. I'm not sure how many people understand discounted cash flow analysis with the discount rates and growth rates and how they are mathematically applied. But that is among the things that I have discussed, those are things that I would have looked at.

Q. But there is no such analysis by you reflected in your report, correct?

A. Well, I think it is clear in my report what I looked at. You have to show me the analyst report to see whether they attached discounted cash flow analysis to them. I don't remember which ones did or which ones did not.

Q. As to the negative stock price movement on December 22, 2000, does your report reflect any statistical, [130] mathematical or econometrical analysis performed by you to determine which pieces of information caused the negative stock price?

A. I've described what I have done.

Q. My question was: Does your report reflect any?

A. My report reflects exactly what I have done.

Q. And it doesn't reflect any statistical analysis of the nature that I just described, does it?

MS. BOIES: Objection. Asked and answered.

A. I think it reflects the statistical analysis that I did.

Q. And on this same issue, in your mind, this is a corrective disclosure or partial corrective disclosure of what statements made by Halliburton?

A. This is related to the — what's generally called the unapproved claims or the cost overruns in the engineering and construction units.

[131] Q. And how in your mind is it related to the unapproved claims issue?

A. It's my understanding that those relate to cost overruns.

Q. How?

A. I have that understanding from the complaint.

Q. What's the relationship?

A. From reading the complaint, it's my understanding that the unapproved claims represent cost overruns in projects.

Q. And I take it in your mind if there is a negative stock price movement of a statistically significant amount, and in the day preceding that movement there was some company announcement about fixed price contracts, whatever it may be, that is a sufficient relationship in your mind to make this a corrective disclosure or partial corrective disclosure?

A. In this case, yes.

Q. Looking at the efficient market hypothesis, getting back a little bit to [132] the theory again, if we look at — I'll be concrete about this. On the accounting for unapproved claims, would you agree with me, Miss Nettesheim, that if, in fact, the company disclosed the change in its methodology, and the new methodology in its 1999 10-

K, that under the efficient market hypothesis, within a reasonably short period of time, one day, two days, three days, the market is going to understand that?

A. I think that would depend on the circumstances. I'm not an accountant.

Q. What circumstances would factor into that?

A. I think you would have to look at what was disclosed at the time and what was the understanding as to what that meant at the time, if there was an understanding. There could be a variety of things that one would look at.

Q. The company says, our accounting policy for unapproved claims is we book them when we believe they are probable of [133] collection. That disclosure is made on day X. Would you expect that to have any impact at all on the stock price in a class period that starts six months after X?

A. No, I think the stock price would react in less time than six months.

Q. Within a short period of time whenever X is, correct?

A. To whatever understanding there was to that statement.

Q. Next date working backwards is October 25, 2000, which is paragraphs 32.

MR. STERLING: Let's mark this as the next one, please.

(Nettesheim Exhibit 5, Press Release, marked for identification, as of this date.)

BY MR. STERLING:

Q. Exhibit number 5 is a Halliburton press release dated October 24, 2000, correct?

A. Yes.

Q. These are sometimes called [134] earnings releases?

A. Yes.

Q. And you're aware from your work in this case that it was Halliburton's practice to release its earnings releases following the close of the market on a particular date as opposed to some companies who may do it before a market opens?

A. Yes.

Q. So it would be your understanding that this earnings release came out after the market closed on October 24th of 2000?

A. That is my understanding.

Q. So paragraph 32, which talks about the company's October 24th announcement, in fact, what you're referring to is a lot of information in Exhibit number 5, correct?

A. I'm sorry, I'm just confirming my recollection. I believe the information that I talk about in Exhibit 32 came out in the conference call and not in the press release.

[135] Q. And the press release you're referring to is Exhibit 5, the earnings?

A. The press release that you handed to me?

Q. Yes.

So is this an example of multiple pieces of information hitting the market simultaneously?

A. There is — well, there is the press release which discusses the company as a whole, and there is the conference call, and there is the news and commentary which addresses primarily the restructuring.

Q. And typically the conference call comes right on the heels of the earnings release, correct?

A. That's my understanding.

Q. So in this situation, after the market closed on the 24th, the company announces earnings, and then right after that, they have a conference call?

A. That's my understanding of what generally happened, yes.

[136] Q. So the trading on the 24th doesn't reflect any of that information, but the trading on the 25th reflects all of it, correct? By all that information, I mean — what came out in the earnings call and in the earnings release?

A. I didn't look at the after market trading on the 24th. I looked at the reported trading on the 25th.

Q. Understood.

But my statement is correct, right?

A. With my explanation, yes.

Q. And you believe that this information in the news release and in the earnings call is a corrected disclosure of what prior statement by the company?

A. Actually, it was the information in the conference call with respect to the restructuring, and that is related to the allegations regarding the unapproved claims or cost overruns and the allegations regarding the lack of synergy from the Dresser merger.

[137] Q. And how is it related to the accounting for unapproved claims?

A. The restructuring, and this was made clearer in the December 21, 22 information, it's related to the operational

problems of what I call cost overruns in the engineering and construction business.

Q. I'm sorry, you lost me there. Could you repeat that?

A. Could you read back my answer, please?

(Record read)

Q. Are you satisfied with that answer?

A. Yes.

Q. Can you attribute it to any particular statement by Halliburton?

A. I did not go back and match this partial disclosure with any particular statement.

Q. And how do you relate this, in your mind, partial disclosure with any statements made about Dresser synergies?

[138] A. Well, part of the construction business that was restructured, it's my understanding that part of that business used to be Dresser Industries.

Q. And the basis for your understanding is what?

A. Description of the business, I believe from the 10-Ks.

Q. Can you attribute it to any particular statement the company made about Dresser synergies?

A. No. As I said, I did not go back and match this particular disclosure with a prior specific statement.

Q. Let's go to October 23, 2000, which is paragraph 30 on page APP.085.

Do you see that, ma'am?

A. I'm sorry, would you say that again? I've lost it.

Q. Fair enough.

I'm looking at the October 23, 2000 date in which there was a statistically significant stock price decline and a company statement, correct?

[139] A. Yes.

Q. And that's discussed on page APP.085, specifically paragraph 30, correct?

A. Yes.

Q. And on that date, the specific company announcement was that it's Brown Services unit was a target of a federal grand jury investigation, correct?

A. Yes.

Q. Do you relate that statement to any prior statement made by Halliburton?

A. No, I do not.

Q. So this is not what you call corrective disclosure?

A. That's correct.

Q. Let's go now to June 8, 2000, which is paragraph 28 on page APP.083.

A. Yes.

Q. And this is a date in which your analysis reflects that the Donaldson, Lufkin & Jenrette analyst changed his estimate after meeting with somebody from the company; is that correct?

[140] A. Yes.

Q. Does your report reflect in any way, shape or form what was discussed between the analyst and somebody at the company?

A. Not in my report, no.

Q. Do you claim that the June 8, 2000, whatever it was, was a partial disclosure of any prior statement made by Halliburton?

A. No, I did not.

Q. Let's go now to January 5, 2000, which is our next to last one in reverse chronological order, which is on page APP.078, paragraph 19.

A. Yes.

Q. This is another one where I believe there is no company statements, but there is an analyst changing his or her rating, correct?

A. There are two analysts.

Q. Two analysts, I'm sorry.

A. And one of the analysts refers to a conversation with the company.

[141] Q. And specifically you're referring to the Merrill Lynch analyst, Simpson, who notes reduced expectations for offshore construction results reduced growth estimates for oil field spending for outside North America and less powerful synergies from the Dresser merger than he had envisioned?

A. No, I'm referring specifically to the analyst, Carol Lau, with Brown Brothers Harriman.

Q. I'm sorry, okay.

And anywhere do those analysts report what they were told by the company?

A. I need to look at the Brown Brothers Harriman analyst report to see if there was a specific quote from the company. I don't recall.

Q. Is whatever was said on January 5, 2008 corrective disclosure or partial corrective disclosure in your mind?

A. I characterized it as a partial disclosure.

Q. And a partial disclosure relating [142] to what prior statement relating to the company?

A. What I describe in shorthand the unapproved claims for cost overruns and the lack of synergies from the Dresser merger.

Q. Any particular statements or just those statements generally?

A. When you say particular —

Q. Any particular statement about Dresser synergies or just all statements about Dresser synergies?

A. The prior statements about Dresser synergies.

Q. All of them, right?

A. Yes.

Q. Any particular statements about unapproved claims or all of them?

A. Not a particular statement, but unapproved claims or cost overruns, or in this case, omissions or statements about claims, cost overruns.

Q. Just the company statements generally on those topics, correct?

[143] A. Yes, or omissions, yes.

Q. And then our last one is October 25th of '99, which is discussed on APP.074, paragraph 14.

A. Yes.

Q. I believe we looked at this one in some detail already, have we not?

A. Yes.

MR. STERLING: Let's go off the record for a minute.

(Thereupon, a recess was taken, and then the proceedings continued as follows:)

EXAMINATION BY MR. GONZALEZ:

Q. Miss Nettesheim, I have a few quick questions for you.

In your testimony earlier, you identified 11 dates in which you say there was a statistically significant change

in the stock price that was accompanied by a statement with Halliburton.

Do you recall your testimony?

A. I recall generally, I didn't [144] count, as I said earlier.

Q. And Mr. Sterling just went through these dates with you with respect to statements that may have accompanied those dates made by Halliburton?

A. Again, I wasn't counting. I don't know if he missed one or two, but we went through dates.

Q. In your review of the information that was provided to you, whether it was analysts reports, any kind of reports, any information you have looked at, with respect to the October 5, 1999 date, which is paragraph 14 in your appendix, were you able to identify any statement that was made by Dave Lesar that accompanied this partial disclosure on October the 5th, 1999?

A. I looked at it with that in mind. I don't see quoting a statement from him in my report, but I don't recall in any of the news or in the analyst reports that I looked at, and there were several pieces of news and analyst reports, I don't [145] recall.

Q. And do you recall if in the disclosure that was made on October the 5th, 1999 whether you looked at any statement by Dave Lesar, any previous statement that was false and misleading?

A. As I said earlier, I don't recall statements specifically attributed to Mr. Lesar on that date. I don't have here in my report everything that was published on that date, but I don't have anything in the report specifically attributed to him on that date.

Q. The next date you identified was January the 5th, 2000, which is paragraph 19 in your report, in the appendix of your report.

If you look at — that same question, were you able to identify any statement, prior statement made by Dave Lesar in connection with the disclosure of January the 5th, 2000 that you reviewed?

A. I don't recall if the Brown Brothers Harriman report attributed a

* * *

[162] dollar verdict that came down; is that correct?

A. Yes, it is.

Q. Prior to December 4th of 2001, in preparing your report or appendix, did you identify or look at any statements that were made by Dave Lesar about this asbestos case that was pending in Texas that resulted in this 65 million dollar jury verdict?

A. Can you read back the question to me?

(Record read)

A. I don't recall if I saw a statement from Mr. Lesar about this case, about the Texas case filed in Texas.

Q. In preparing this type of report or an appendix, if you identify statements made by a CEO or chairman of the board or somebody at that level, is it your practice or custom to put those statements in your report or appendix?

A. Not necessarily.

Q. Why not?

[163] A. The purpose of the statements that I did put in my report were to summarize and to be informative as to what was said that day and what was reported on that day. I think it is fairly — I think it is completely clear that I did not include verbatim each and every news report, analyst report in their entirety for these dates.

Q. In preparing — because you were asked — according to your testimony, you were asked to do a loss causation analysis as part of your engagement in this case?

A. Yes.

Q. And as part of loss causation analysis as you understand it, and I don't mean just merely in that sense, are you just crunching numbers or are you looking to prior statements made by officers of the company?

A. In loss causation, I was asked to determine — well, to determine the cause of the decline in the stock price.

Q. In doing that, did you just crunch [164] numbers or did you go back and look at prior statements by the company or officers of the company?

A. It details a large number of steps and analysis that I described. Do you want me to describe all of that again?

Q. I think your testimony on that is on the record.

Is it your practice to look at prior statements made by officers of the company?

A. I looked at all of the news, basically anything that I could find, in order to determine what caused the stock price to decline.

Q. And the reason why, as part of your loss causation analysis, is you're looking at prior statements by the company or officers of the company to identify that the corrective statements that are being identified in your report relates back to a prior statement that was not accurate; is that correct?

A. Well, as I said earlier, I did not [165] link or match up statement by statement earlier statements with the partial disclosures I discussed.

Q. Did you not do that for purposes of this report?

A. One of the purposes of this report was to analyze loss causation.

Q. But going back to your statement just now, you did not link up any partial disclosure statements with prior statements that were made by the company or officers of the company?

A. Not specifically, no.

Q. And do you normally do that when you do a loss causation analysis?

A. By normally do that, you're referring to do I normally go back and look at statements by executives of the company?

Q. Is it part of your methodology, part of your protocol to go back and look at — look at the disclosure statement, partial disclosure statement, and link it back to prior statements made by the [166] company or its officers?

A. Yes, on occasion I have done that.

Q. On occasion.

Is there a particular reason in terms of your methodology or protocol that you use how to decide when to use it and when not to use it?

A. It depends on the circumstances of the case, the allegations. It depends on what I was asked to do. There

is a variety of factors that would enter that. There isn't one and only one way.

Q. And in terms of what you were asked to do in this case, or your approach to how you were asked to analyze this case, you determined in your professional opinion that linking up a partial disclosure statement to prior statements by the company or its officials was not necessary?

A. I was asked to determine the causes or the reasons for the decline in the stock price.

Q. But you made — in your [167] professional opinion, you made the decision not to look at the partial disclosure statement and try to link it back to the previous statement that allegedly was not accurate?

A. Well, the methodology I used was the appropriate methodology of what I was asked to do.

Q. That methodology did not include linking the partial disclosure statement to the prior statement that allegedly was not accurate?

A. Yes, I said earlier I did not link particular statements to the partial disclosure statement.

Q. I'm not questioning your approach. I'm trying to understand the approach that you used.

Appendix C

The next statement you identified in your report as partial disclosure was December 7th 2001. And that's in paragraph 75 of your opinions. And that has to deal with the Maryland verdict, 30 million dollar verdict.

[168] In preparing paragraph 75 of your report, did you look at any particular statements made by Dave Lesar?

A. Prior to December 7th, 2001?

Q. Yes, ma'am.

A. No. As I recall, I did not go back and look at prior statements as I was writing paragraph 75 of the appendix to my report.

Q. In your earlier testimony, you were identifying in terms of methodologies that you use, you referred to the discounted cash flow approach; is that correct?

A. No, that's not correct.

Q. What is a discounted cash flow?

A. It is an analysis that entails projecting cash flows, which are — cash flows are the net inflows and outflows. I assume can apply to many different things, which I assume you're talking about company evaluation, or at least that's what I'm referring to in this case, so it would be a projection of income flows [169] versus outflows, which would be expenses or any other type of outflow. And the

net of that each year would be a cash flow for that year, and then apply — in order to project cash flows, that entails taking into account company specific growth rates, inflation, growth rates that you may glean from industry factors or from industry comparables. There are several steps. I'm sure I'm going to leave out some.

The discounted cash flow approach also entails at least one discount rate. There may be one discount rate applied to near term discount or long term cash flows coming up with that discount rate is a — you need to apply analyses of inflation rates, projected inflation rates, beta, which is simplified term, talking about the relationship between the company's returns and market and industry returns. The discount rate may or may not, but can incorporate risk premium of various times.

And that's not exhaustive, but

* * *

[174] causation?

A. No, there is not.

MR. GONZALEZ: I pass the witness.

EXAMINATION BY MR. STERLING:

Q. If you'll look, please, at Exhibit number 15 to your report. It's appendix page 197.

A. Yes.

Q. Under the summary output at the top of that page.

A. Yes.

Q. It says, multiple R squared.

Does that tend to be R squared or multiple R?

A. That's the R squared, and this is a multiple regression because there is more than one independent variable so it is the R squared.

Q. Thank you.

If you look at page in your report 9, APP.011, paragraph 21. It says, "according to one anthority", and then you [175] have a quote?

A. Yes.

Q. Who is that authority?

A. That was the camera court citing Bromberg.

Q. And Bromberg is not an econometrician or a statistician, is he?

A. That I don't know. The book describes more fully in footnote 10.

Q. If you'll turn to page 38, APP.040. I don't mean to replow old ground, but October 5, '99 stock price decline. We talked about the earnings guidance, the lower than expected profits of the joint ventures, and so forth.

If you'll turn to page 39, the next page, the second full paragraph, it says, "Analysts agree it was a good move and that the earning shortfall will be temporary."

Do you see that?

A. Yes.

Q. So was that aspect, that piece of news, was that considered good news or bad [176] news by the marketplace?

A. I took it to mean that given the problems with the joint ventures, they agreed that it was a better move to sell them than it would have been to keep them.

Q. Looking at paragraph 86 on page 8 APP.041, you quote from a CIBC report, do you not?

A. Yes.

Q. And if you look at the top of the next page, it says, "The company's announcement of weakness across virtually every business line in 3Q, the third quarter, is not surprising given the slower than anticipated oil field recovery. Halliburton is the latest company to confess to this situation."

If what Halliburton is experiencing is an industry wide phenomenon, how do you relate that or link that to any of the allegations in this case?

A. Well, this is not the only thing that Halliburton was experiencing, and I [177] do have an industry index in my analysis which would pick up at least a portion of the industry effect.

Q. But your industry index also — let me back up.

But you also show a number of days in which there was a statistically significant return based upon your industry index, but there was no information or news that you could find that drove that return, correct?

A. That's correct.

Q. Is there anything that you did to try to break out, other than your industry wide index, industry wide phenomena from company specific phenomenon?

A. The industry index was the primary reason of doing that, the regression analysis and industry index.

Q. When you constructed your index, did you try adding or subtracting other companies to see if that improved the expandability of your model?

A. What I did is I — Exhibit 16 to [178] my report, and then I explained this in the appendix to my report. I picked a large number of companies that were components of, let's

say, call it pre-made indices that included Halliburton. So then because these companies were in the same index or a number of indices as Halliburton, they were at least considered comparables by the entity that created the index, whether it was FactSet or Bloomberg or some other data source.

I looked at analyst reports and pulled out companies that were considered competitors from the analyst reports, and then individually I determined whether the companies on an individual basis were correlated to Halliburton. And then I made an index of the companies that were correlated with Halliburton during the control period, with the exception of the one company that had the securities litigation pending.

Q. And I understand all of that.

My question is: Once you did [179] that, did you then try to add or subtract other companies to see if that explained — if that increased the explanatory power of your model?

A. No, because I'm including all of the companies that I determined were — well, actually that were considered comparables or competitors. I'm not including companies that were correlated and I wasn't trying to pick and choose here. Starting with as broad a base as I thought was reasonable and then including all of the companies that were statistically correlated.

Q. If you'll turn to page APP.047.

Looking at the carry over paragraph at the top, you're talking about the October 25, 2000 price decline?

A. Yes.

Q. And in your last sentence, it reads, "Thus, a significant portion of the stock price decline on October 25, 2000 was related to the company's booking unapproved claims on fixed price contracts [180] and lack of benefits from the Dresser merger alleged in the complaint."

Did I read that correctly?

A. Yes.

Q. Significant portion, the word significant there, you weren't referring to significant statistics, were you?

A. No.

Q. And the relation, the way you use related there is simply, as you explained before, if it had something to do with, as you perceive it, fixed price contracts or unapproved claims, then it relates back to the prior statements?

A. Cross overruns, yes.

Q. And not to any particular statement, correct?

A. Yes. As I said, I didn't link specific prior statements to disclosure statements.

Q. And looking back at the prior page, paragraph 93, where it says "the company made a partial disclosure concerning the company's booking [181] unapproved claims on fixed price contracts", what specific disclosure are you referring to there?

A. That relates to the — in general, on October 25th, the 24th and 25th disclosures regarding the operational problems in the engineering and construction units and then the —

Q. If I can interrupt you. Was there any specific disclosure about unapproved — booking unapproved claims?

A. Nothing that I recall that used the words unapproved claims. I was about to say, as I said earlier, I also linked this with the December 21st, 22nd disclosure where there were the charges for the cost overruns.

Q. If there is a disclosure of bad news that in any way, shape or form relates to fixed price contracts, then it relates to the allegations about unapproved claims, correct?

A. Yes, in this case I did.

Q. Now, if you will turn with me,

* * *

No. 09-1403

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IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON COMPANY, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

JOINT APPENDIX – VOL. II of II (446a-778a)

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UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al.,

Plaintiffs,

v.

HALLIBURTON COMPANY, et al.,

Defendant.

No 3:02-CV-1152-M

EXPERT REPORT OF LUCY P. ALLEN

November 16, 2007

I. SCOPE OF ASSIGNMENT

We were asked by Counsel for Halliburton Co. ("Halliburton") in *Archdiocese of Milwaukee Supporting Fund, Inc., et al. v. Halliburton Company, et al.* to review the Report of Jane D. Nettesheim ("Nettesheim Report") and Lead Plaintiff's Motion for Class Certification and Incorporated Memorandum of Points and Authorities in Support Thereof ("Plaintiff's Motion"). In particular,

we were asked to assess Ms. Nettesheim and Plaintiff's analysis of loss causation in the above matter.

II. SUMMARY OF FINDINGS

We found that the Nettesheim Report has not proven loss causation for any of the allegations in this matter, and that much of the evidence presented in Ms. Nettesheim's report is contrary to the claim of loss causation. Plaintiff's allegations fall into three categories: the integration of Dresser Industries, Inc. ("Dresser"), the booking of unapproved claims, and asbestos reserves.

We found the following:

- **Ms. Nettesheim's event study is methodologically flawed.** It does not adhere to the standards of academic literature, including the academic article she cites on the topic. Her tests of statistical significance are invalid. In addition, Ms. Nettesheim's industry index is inappropriately constructed and her market index is not replicable based on the information provided.

- **Ms. Nettesheim does not prove loss causation for the allegations regarding the integration of Dresser.** The Nettesheim Report inappropriately combines the allegations regarding the integration of Dresser with the allegations regarding unapproved claims. Ms. Nettesheim does not establish causation for the Dresser integration allegations, but rather looks at whether a stock price decline relates to the engineering and

construction segment of Halliburton's business and she does so in an inappropriate manner. She fails to establish that the alleged curative disclosures are curative of alleged misrepresentations. Additionally, on each of the alleged curative disclosure dates regarding the integration of Dresser, non-culpable news was released and Ms. Nettesheim fails to account for it.

- **Ms. Nettesheim does not prove loss causation for the allegations regarding the accounting of unapproved claims.** The alleged curative disclosures are not curative of alleged misrepresentations regarding the booking of unapproved claims. Ms. Nettesheim's event study analysis shows that there was no statistically significant price reaction to the actual disclosure of a change in accounting for unapproved claims.

- **Ms. Nettesheim does not prove loss causation for the asbestos reserves allegations.** Ms. Nettesheim's loss causation analysis is not based on an understanding of Plaintiff's allegations. She fails to link the alleged misrepresentations to curative disclosures. In addition, there is no consistency in her choice of alleged curative disclosure dates for the asbestos reserves allegations and her analysis of Halliburton's stock price movements. Further, she fails to control for changes in the asbestos litigation environment, confounding news and the effect of uncertainty on Halliburton's stock price.

- **There is no evidence in Ms. Nettesheim's event study analysis that the alleged misstatements inflated Halliburton's stock price.**

III. QUALIFICATIONS AND REMUNERATION

A. Qualifications

I am a Senior Vice President of NERA Economic Consulting ("NERA"), a firm with about 600 consulting economists who operate out of 22 offices worldwide. I am a member of NERA's Securities and Finance Practice, which dates from the early 1970s and employs a research staff of about two hundred professionals with economics, finance and mathematics degrees. The practice counts as its clients major securities exchanges, risk managers, principals needing valuation services, and parties in litigation.

I have a B.A. from Stanford University, an M.B.A. with a concentration in Finance and Accounting from Yale University, and M.A. and M. Phil. degrees in Economics, also from Yale University. Prior to joining NERA, I was an Economist for both former President Bush's and President Clinton's Council of Economic Advisers. In my 13 years at NERA, I have been engaged as an economic consultant or expert witness in numerous projects involving securities and financial economics. In the course of this work, I have analyzed the effect of information on the stock prices of over 100 companies. My resume with recent publications and testifying experience is included as Attachment A.

B. Remuneration

NERA is being compensated for time spent by staff members at standard billing rates and for out-of-pocket expenses at cost. NERA currently bills for my time at $585 per hour.

IV. MATERIALS CONSIDERED

In preparing this report, we considered the following materials:

1. Nettesheim Report, dated September 17, 2007, and supporting materials;

2. Deposition of Jane Nettesheim ("Nettesheim Deposition"), dated October 16, 2007;

3. Fourth Consolidated Amended Complaint for Violation of the Securities Exchange Act of 1934 ("Complaint");

4. Lead Plaintiff's Motion for Class Certification and Incorporated Memorandum of Points and Authorities in Support Thereof ("Plaintiff's Motion");

5. Price and trading volume data for Halliburton, industry and market indices, and peer companies from FactSet Research Systems, Inc. and Bloomberg L.P.;

6. Index price data from The Center for Research in Security Prices ("CRSP");

7. Analyst reports covering Halliburton, peer companies and its industry;

8. SEC filings for Halliburton and peer companies;

9. Data on analysts' estimates from I/B/E/S;

10. Press coverage on Halliburton and peer companies from news services including Factiva and Bloomberg L.P.;

11. Court decisions in securities class actions; and

12. Textbooks and academic literature on finance and statistics.

V. SUMMARY OF PLAINTIFF'S CLAIM OF LOSS CAUSATION

According to Plaintiff's Motion and the Nettesheim Report, Ms. Nettesheim finds loss causation for the allegedly false and misleading statements cited in the Complaint. Plaintiff's Motion classifies the allegations into three categories:

1 "[I]mproper booking of unapproved claims as revenue" (herein, unapproved claims);

2 "[K]nowingly inadequate reserves for asbestos liability" (herein, asbestos reserves); and

3 "[S]evere but undisclosed problems associated with the acquisition and integration of Dresser" (herein, integration of Dresser).[1]

The Complaint is consistent with this categorization of allegations, while the Nettesheim Report has only two categories of allegations. Ms. Nettesheim does not distinguish between allegation #1 (unapproved claims) and allegation #3 (integration of Dresser) above, and appears to consider them interchangeable.

Plaintiff claims that Ms. Nettesheim has proven loss causation by finding statistically significant negative price reactions to alleged curative disclosures of the alleged misrepresentations. The Nettesheim Report finds 11 such alleged curative disclosures, 6 of which are not alleged as curative disclosures in the Complaint:

- October 5, 1999 (not in Complaint);
- January 5, 2000 (not in Complaint);
- October 25, 2000;
- December 22, 2000 (not in Complaint);
- June 29, 2001;
- August 9, 2001 (not in Complaint);

1. Plaintiff's Motion, p. 3.

- October 31, 2001 (not in Complaint);
- November 1, 2001 (not in Complaint);
- December 4, 2001;
- December 5, 2001; and
- December 7, 2001[2]

VI. SUMMARY OF NETTESHEIM'S LOSS CAUSATION ANALYSIS

Ms. Nettesheim's analysis of loss causation involved the following three steps:

1. **An event study test of the statistical significance** of Halliburton's stock price movement on each day during the alleged class period;

2. **A review of the news** on each statistically significant day; and

3. **A determination of loss causation,** if the news on a statistically significant negative day was related to the allegations.

To perform the test of statistical significance, Ms. Nettesheim predicts Halliburton's stock price movements

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2. Plaintiff's Motion includes a summary at p. 2. Plaintiff's Motion lists the following disclosures: October 24, 2000, December 21, 2000, June 28, 2001 and December 4-7, 2001.

on each day of the alleged class period and determines how much the actual movement differs from her predicted movement. The predicted movement is based on the result of a "market model" which estimates the relationship between the daily movements in Halliburton's stock price and the movements in the market and the industry over a control period. Ms. Nettesheim estimates her market model over the control period of one year beginning after the merger between Halliburton and Dresser. The difference between Halliburton's actual stock price movement and the predicted movement is commonly called the excess return, and is referred to by Ms. Nettesheim as the "company-specific return."

Ms. Nettesheim estimates the market model using a general market index and an industry index. For her market index, Ms. Nettesheim allegedly uses a composite index of NYSE/Amex/NASDAQ obtained from CRSP,[3] while her industry index is composed of companies (allegedly mentioned in market commentary on Halliburton) that individually explained Halliburton's stock price movement over the control period. Ms. Nettesheim included all companies in her industry index that she tested (individually vis-a-vis Halliburton) and found to have a statistically significant relationship with Halliburton's stock price over the control period.

For every day of the alleged class period she performs a test of whether the excess return, the amount that

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3. As discussed in Section VII.C, we were not able to identify her market index.

Appendix C

Halliburton's stock price moved more than expected given the movement in the market and industry indexes, is statistically significant. She finds 31 statistically significant price movements (24 negative and 7 positive) among the 633 trading days of the alleged class period.

Ms. Nettesheim then reviewed the market commentary in news stories and analyst reports on (or around) each of the 31 statistically significant price movements during the alleged class period.

Based on her review of the news and analyst reports, she makes a determination, without an explanation, for each of the days about whether the news appears to be consistent with the price reaction and whether the news is related to either of two categories of allegations. As discussed above, she re-categorized Plaintiff's allegations into:

1 "Booking of Unapproved Claims and Unrealized Benefits from the Dresser Merger;"[4]

and

2 "Company's Exposure to Asbestos Litigation."[5]

She concluded that 4 of the 24 negative price movements were "related" to her first category of allegations (the booking of unapproved claims and unrealized benefits

4. Nettesheim Report, p. 37.

5. Nettesheim Report, p. 55.

from the Dresser merger) and that 7 were related to her second category (the company's exposure to asbestos litigation). She further concluded that for each of these 11 days there was loss causation.

As discussed in detail below, each step of her loss causation analysis is unreliable and methodologically flawed.

VII. NETTESHEIM'S EVENT STUDY IS METHODOLOGICALLY FLAWED AND HER TESTS OF STATISTICAL SIGNIFICANCE ARE INVALID

Ms. Nettesheim performed an event study as the basis for her claim of having proven loss causation. Her event study, however, is methodologically flawed. Ms. Nettesheim first conducted a hypothesis test (actually, 633 hypothesis tests) to determine whether any of the days during the alleged class period exhibited a statistically significant price reaction. Then, for those days on which she found statistically significant price reactions, she reviewed news and analyst commentary to determine whether they contained news related to the allegations.[6] This procedure is methodologically flawed because her tests of statistical significance are invalid, and because her news analysis is not at all systematic.

The valid statistical methodology for conducting a hypothesis test is to *first* state a hypothesis to be tested

6. Nettesheim Report, ¶41-44.

(e.g., whether the price movement on a specific day is statistically significant), and *then* perform the test. Ms. Nettesheim inverts the order of these steps by performing a hypothesis test for each day during the alleged class period, thereby invalidating her tests.

More specifically, textbooks and academic articles on statistics state that the valid statistical methodology to perform an event study is to first define the period in which the event under study happens and then to perform a test of whether the stock price moved in a statistically significant manner in that period. For example, the academic article that Ms. Nettesheim herself quotes on the use of event studies, by Mitchell and Netter, contradicts her approach and states that selecting the period in which the event under study happens is the first step to be performed:[7]

> There are three basic steps in conducting an event study: (i) define the event window; (ii) calculate abnormal stock price performance around the event; and (iii) test for statistical significance of the abnormal stock price performance. . . . The first step in the event study is selecting an event window. The event window is the period when information about the event becomes available to the stock market and thus may affect the relevant company's stock price.

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7. Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Cominission," *The Business Lawyer*, 49, pp. 557-558.

Appendix C

One of the implications of Ms. Nettesheim's inversion of the proper order of the steps in performing an event study is that the hypothesis test loses validity and risks becoming a mere ex-post justification of a particular result. A textbook by Studenmund, *Using Econometrics*, states:[8]

> The first step in hypothesis testing is to state the hypotheses to be tested. This should be done *before* the equation is estimated because hypotheses developed after estimation run the risk of being justifications of particular results rather than tests of the validity of those results. [Emphasis in original]

This methodological error of performing a hypothesis test first and finding a justification for the result ex-post is sometimes referred to as the "Texas sharpshooter fallacy," after the example of a shooter who first shoots at a barn and then draws the target around the part of the barn where most of the bullets have clustered in order to demonstrate his prowess.[9]

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8. Studenmund, A.H., *Using Econometrics: A Practical Guide*, Pearson Education, Inc., Fifth Edition, 2006, p. 114.

9. See, for example, Inge F. Goldstein and Martin Goldstein, *How Much Risk? A Guide to Understanding Environmental Health Hazards*, Oxford University Press, 2002. Or, in the popular press, see, Atul Gawande, "The Cancer-Cluster Myth," *The New Yorker*, February 8, 1999, pp. 34-37.

Appendix C

A. Nettesheim's calculations of statistical significance are improper

The number of statistically significant price reactions that Ms. Nettesheim finds using her flawed methodology is no more than the number expected to be found exclusively on the basis of the normal daily variation of the stock price in the absence of news of importance to the market.

Ms. Nettesheim performs her tests of hypothesis at the 95% confidence level.[10] The 95% level means that, if her test is repeated many times, the test is expected to indicate 5 times out of 100 that the price movement on a given date is statistically significant even when there is no news of importance to the market, and the price moves solely due to the normal daily variation in stock prices.

Ms. Nettesheim performs her test 633 times; she performs it once for each day of the alleged class period. The expected number of days one would expect to be statistically significant at the 95% level, if stock price movements reflect only normal daily variation, is 5% of 633, or 31.7 days. Ms. Nettesheim finds that 31 days are statistically significant. Therefore, the number of statistically significant days during the alleged class period is no more than the number one would expect to find, if stock price movements reflect only normal daily variation, rather than some noteworthy event or announcement.

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10. Nettesheim Report, fn. 9 of the Appendix.

Appendix C

In the "Reference Guide on Statistics," part of the *Reference Manual on Scientific Evidence* published by the Federal Judicial Center, the authors refer to the issue of making several statistical tests on the same dataset in the glossary under the term, "Multiple Comparisons." The *Manual* states that it is hardly surprising to find 1 out of 20 (that is, 5%) statistically significant cases when performing the test 20 times even when there is no underlying difference (that is, "under the null") due to the normal variation in the data. The *Manual* states:[11]

> **[M]ultiple comparison.** Making several statistical tests on the same data set. Multiple comparisons complicate the interpretation of a p value. For example, if 20 divisions of a company are examined, and one division is found to have a disparity "significant" at the 0.05 level, the result is not surprising; indeed, it should be expected under the null hypothesis. [p. 166]

Ms. Nettesheim finds 31 days (including her 11 alleged curative disclosures) during the alleged class period to be statistically significant; yet that number is what statistical theory tells us that we should expect to find based exclusively on the normal daily variation in the stock price during her control period. Therefore, her statistical analysis yields no evidence that the stock price declines during the alleged class period are caused by anything

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11. Kaye, David H. and David A. Freedman, "Reference Guide on Statistics", *Reference Manual on Scientific Evidence*, (2000, Federal Judicial Center, Second Edition, pp. 83-178.

other than the normal daily variation in stock price. Furthermore, her statistical analysis yields no evidence that the stock price declines are caused by the correction of any alleged misrepresentations.

B. News days and non-news days have the same distribution of excess returns

Further evidence that Ms. Nettesheim's methodology is unreliable is the fact that her distribution of the excess returns of Halliburton's stock price during the alleged class period is no different on days when she finds news was released than on days when she finds that no news was released.

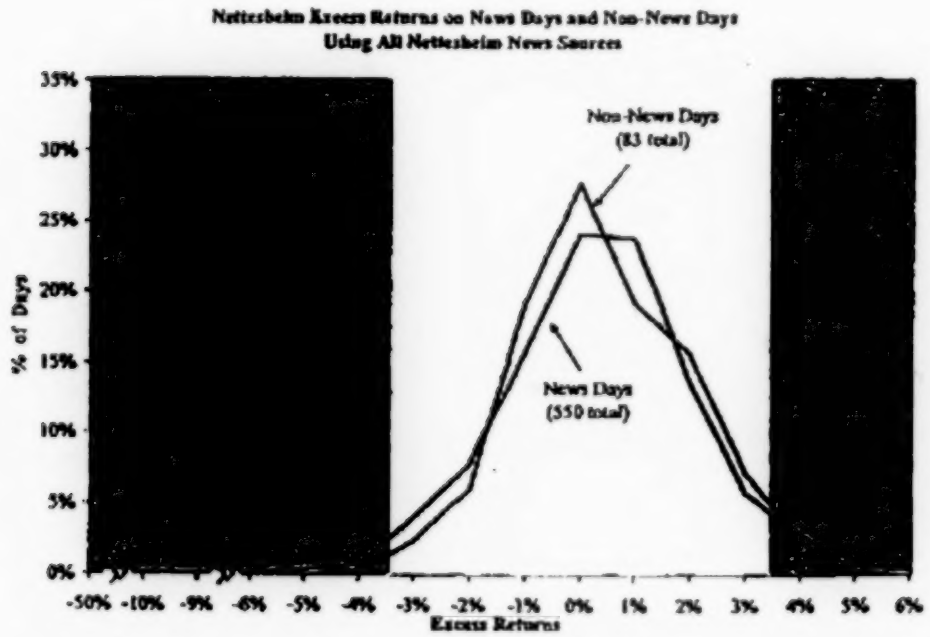
Ms. Nettesheim does not provide in her report any systematic way to distinguish between the days that she considers news days versus the ones she considers non-news days. This issue is discussed further below, in Section VII.F.

Since we are unable to replicate Ms. Nettesheim's method for determining whether a particular story counts as news, we used two alternative methods of classifying days as news days. The first method considered all days on which Ms. Nettesheim obtained a news story as news days. The second method considered only days with stories from major news sources.[12] Below, we show two charts

12. Both versions include news from Factiva that contain "Halliburton" in the headline or lead paragraph, exclude republished news, obituaries, and sports news. Major news sources considered were: The New York Times, The Wall Street

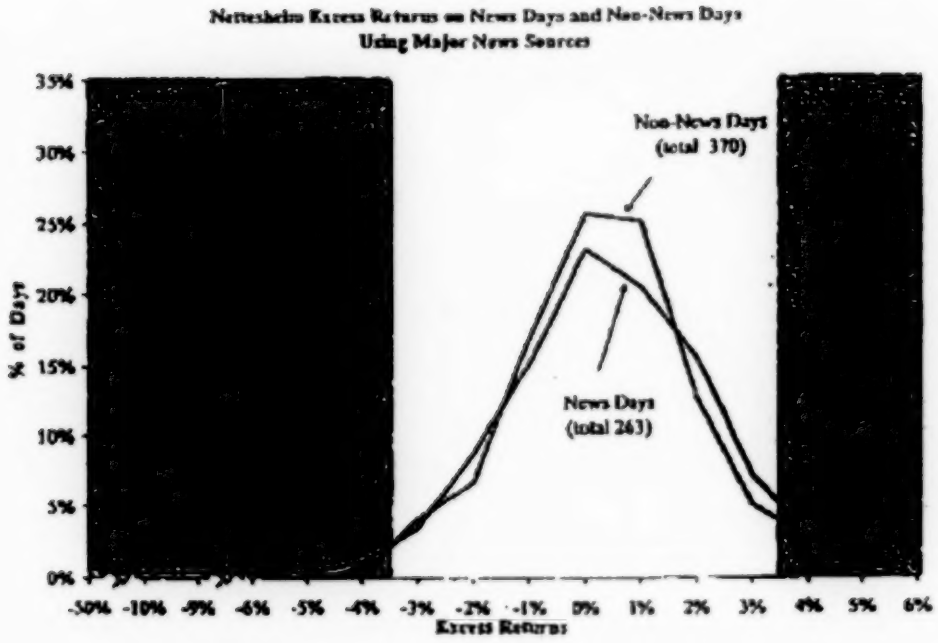
that compare the excess returns on news days to those on non-news days.

Regardless of how news was classified, both methods yield the same result: the excess returns on news days are very similar to the excess returns on non-news days. This is further evidence that Ms. Nettesheim's procedure is unreliable. In other words, Ms. Nettesheim's methodology finds that Halliburton's stock price movements on news days are very similar to those on non-news days.



Journal, PR Newswire, Reuters News, Dow Jones News Service and Business Wire. Excess returns are from Nettesheim Report, Exhibit 17; standard errors are from Nettesheim Report, Exhibit 15. News that was released after the close of the market was considered to have been released on the next trading day.

Appendix C



The charts above depict the results of each of the two methods of classifying news. The gray bands indicate excess returns that correspond to days on which Ms. Nettesheim found statistically significant price movements.

We also performed a formal test to analyze whether the distributious of excess returns are statistically different. We performed a Kolmogorov-Smirnov test for the equality of distributions of excess returns on news days and non-uews days.[13] We found no statistically

13. For a description of the Kolmogorov-Smirnov test, see, for example, Myles Hollander and Douglas A. Wolfe, *Nonparametric Statistical Methods*, 2nd Edition. John Wiley & Sons, Inc., 1999, pp. 178-179.

significant difference between the distributions of excess returns on news days versus non-news days for both sets of news sources.

C. We are unable identify Nettesheim's market index

As mentioned above, Ms. Nettesheim claims to have used a general market index obtained from CRSP, a data provider. Specifically, Ms. Nettesheim claims to have used a composite index of all stocks traded on the NYSE, Amex and NASDAQ.[14] We licensed from CRSP the data we understood from the Nettesheim Report to be the data she used, but the values were different from those that she shows in the third column of Exhibit 17 of her report. We asked CRSP to identify which index Ms. Nettesheim used based on the data in her report. CRSP was unable to identify the data on that basis or to substantiate the claim that those data were actually obtained from it.

D. Nettesheim's industry indexis not constructed properly

Ms. Nettesheim's industry index is not properly constructed. Ms. Nettesheim's industry index is allegedly composed of those companies mentioned in analyst reports on Halliburton that, according to Ms. Nettesheim's statistical tests, explained Halliburton's stock price movement over the control period. In other words, Ms. Nettesheim included all companies in her industry

14. Nettesheim Report, ¶4 of the Appendix.

index that she found to have a statistically significant relationship with Halliburton's stock price over the control period. This procedure is flawed.

Ms. Nettesheim's procedure is flawed for several reasons. For example, she attempts to isolate the decline in Halliburton's stock price that is related to allegations regarding asbestos reserves. Yet, she has done nothing to include in her index companies with similar asbestos exposure. Nothing about her procedure for selecting companies involves considering a company's asbestos exposure at all. In her testimony, Ms. Nettesheim admits that she does not know whether the companies in her index have asbestos exposure.

Q. Did any of the companies in your index have any potential asbestos exposure?

A. For these specific companies, I don't know.

Q. That's not something that you or anybody on your team tried to ascertain?

A. We relied on the indices, including them as comparables, and then analyst reports describing them as comparables. [Nettesheim Deposition, pp. 21-22]

The method used by Ms. Nettesheim for selecting companies for her industry index is based on statistical results rather than a theoretical basis for creating a comparable industry index. According to *A Guide to Econometrics*: "The first and foremost ingredient in

a search for the correct set of explanatory variables is economic theory. If economic theory cannot defend the use of a variable as an explanatory variable it should not be included in the set of potential independent variables. Such theorizing should take place *before* any empirical testing of the appropriateness of potential independent variables; this guards against the adoption of an independent variable just because it happens to 'explain' a significant portion of the variation in the dependent variable in the particular sample at hand."[15]

She claims that her industry index and statistical regression perform unusually well, explaining 77% of the total variance in Halliburton's stock return during the control period. Given that she pre-selected the companies to include in her index based on their statistical performance in explaining Halliburton's stock price during the control period, the fact that the index performed well during the control period is hardly surprising. The high level of statistical performance does not prove that the index would be a reliable benchmark to control for industry effects during the alleged class period; her index's statistical performance during the control period is something of a self-fulfilling prophecy.

Moreover, this artificially high statistical performance (R-squared) means that the standard error of her regression is artificially low. This problem is known in

15. Peter Kennedy, *A Guide to Econometrics*, Fifth Edition, The MIT Press, 2003, p. 108.

the statistics literature as overfitting.[16] This means that her test of statistical significance over the alleged class period is more likely to find events that are statistically significant.

E. Nettesheim's findings of statistical significance are neither valid nor robust

We performed Ms. Nettesheim's regression (the regression of Halliburton's returns on the returns of Ms. Nettesheim's market and industry indexes) over an alternative control period. Rather than the period of one year starting *before* the beginning of the alleged class period, the control period used by Ms. Nettesheim, we tested her model over a one-year period starting *after* the end of the class period.[17] We found dramatically

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16. See, for example, Peter Kennedy, *A Guide to Econometrics*, Fifth Edition, 2003, The MIT Press, p. 383; Michael A Babyak, "What You See May Not Be What You Get: A Brief, Nontechnical Introduction to Overfitting in Regression-Type Models," Statistical Corner, *Psychosomatic Medicine*, 66:411-421 (2004).

17. The alternative control period is December 10, 2001 through December 9, 2002. Nettesheim's control period is October 1, 1998 through September 30, 1999. Ms. Nettesheim's control period overlaps with the alleged class period because she did not want to use a control period starting before the merger with Dresser and there was less than one year between the merger and the beginning of the alleged class period. The calculations were based on a market index from CRSP (CRSP NYSE/Amex/NASDAQ Value-Weighted Market Index) that corresponds to Ms. Nettesheim's description of the index she used. In the alternative control period, the industry index is composed of 49 of the 52 companies included in Ms. Nettesheim's index (due to price data availability).

different results. We found that the explanatory power of her regression declined from 77% to 37%. That is, her industry index was not nearly as successful in explaining Halliburton's stock price movement over a period where she had not "cherry-picked" the companies based on their statistical results over the same period.

More importantly, this change shows that her results are not robust. Applying the regression results based on this alternative control period, we found that there was no longer any statistically significant price decline on most of Ms. Nettesheim's alleged curative disclosure dates. We find that 9 of her 11 alleged curative disclosure dates are not statistically significant if we apply her methodology and simply change the control period from being a one-year period that starts before the alleged class period to a one-year period that starts after the alleged class period.[18]

F. Nettesheim's determination of what is news and the date on which news is released is not systematic or replicable

In her report, Ms. Nettesheim does not detail any systematic way to distinguish between the days she considers news days and those that she considers non-news days. Ms. Nettesheim indicates that on 9 dates out the 31 on which she finds statistically significant price movements

18. The price reactions on following dates (alleged curative disclosures according to Ms. Nettesheim) are not statistically significant: January 5, 2000, October 25, 2000, December 22, 2000, June 29, 2001, August 9, 2001, October 31, 2001, November 1, 2001, December 4, 2001 and December 5, 2001.

there is no company-specific news that explains that price movement.[19] Yet, she does list news stories in her Exhibit 18 for those days. Ms Nettesheim does not provide any justification or method for her determination that those published reports could not explain the price movement on those days. Her judgment cannot be replicated.

Further, Ms. Nettesheim inconsistently attributes the price reaction on some days to news on other days. For example, she has justified her inclusion of the price reaction on December 22, 2000 by referencing news released in the morning of the previous trading day, December 21, 2000. And while Ms. Nettesheim attempts to justify the inclusion of the price reaction on October 31, 2001 by referencing news that she claims was released after market close on October 30, 2001, this news had been released at least as early as October 28, 2001.

VIII. NETTESHEIM DOES NOT PROVE LOSS CAUSATION FOR THE ALLEGATIONS REGARDING THE INTEGRATION OF DRESSER

Ms. Nettesheim's analysis does not prove loss causation for the allegations regarding the integration of Dresser. Plaintiffs allegation regarding the integration of Dresser is that "severe but undisclosed problems associated with the acquisition and integration of Dresser" inflated

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19. Nettesheim Report, ¶43, 44. The dates in question are: June 18, 1999, October 15, 1999, February 10, 2000, February 25, 2000, May 19, 2000, October 24, 2000, December 18, 2000, February 12, 2001 and November 6, 2001.

Halliburton's stock price.[20] Ms. Nettesheim has not shown that the "severe but undisclosed problems" associated with the Dresser merger inflated Halliburton's stock price or that there was a stock price decline at the time of a curative disclosure of this alleged misrepresentation. In fact, she has not even identified any actual curative disclosures of the alleged misrepresentations regarding the Dresser merger.

A. The Nettesheim Report inappropriately combines the allegations regarding the integration of Dresser with the allegations regarding the unapproved claims

Ms. Nettesheim, rather than analyzing the actual allegations, has lumped together the integration of Dresser allegations with the allegations regarding unapproved claims and interpreted them as anything that relates to the Engineering and Construction business unit ("E&C"), one of Halliburton's two major business segments (the other being Energy Services, or "ES"). The integration of Dresser and the unapproved claims allegations are in fact distinct, and a finding that one set of allegations materially inflated the stock price and was the cause of a loss does not imply loss causation for the other category of allegations. The unapproved claims relate to an allegedly "insidious accounting trick[21] while the integration allegations relate to allegedly severe but undisclosed problems associated with the acquisition

20. Plaintiff's Motion, p. 3.

21. Complaint, ¶13.

and integration of Dresser. The Complaint, for example, alleges that the accounting for unapproved claims affected both parts of Halliburton's business, E&C and ES, and "falsely inflated Halliburton's Energy Services ('ES') and Engineering and Construction ('E&C') Groups' reported operating incomes."[22]

B. Nettesheim does not establish causation for the Dresser integration allegations, but rather looks at whether stock price declines relate to E&C

Ms. Nettesheim finds that a curative disclosure is any negative news that relates to E&C, rather than information that in fact corrects alleged misrepresentations. For example, she testified as follows regarding her conclusion that October 25, 2000 was a curative disclosure of the allegations related to unapproved claims and the integration of Dresser:

> Well, I think the analysts are attributing -- there is a real valuation of the company downward, and they are attributing the re-evaluation, the downward portion of the re-evaluation, to the engineering and construction side of the business. [Nettesheim Deposition, p. 70]

Moreover, Ms. Nettesheim does not test whether the allegations related to the Dresser integration caused any losses. It is our understanding that the Court requires Plaintiff to show not only that the alleged misstatement

22. Complaint, ¶13.

was material and moved the stock price, but also that the subsequent revelation of the relevant truth caused a loss.[23] Furthermore, we understand that, according to Dura, "to touch upon a loss is not to *cause* a loss."[24]

In her report, Ms. Nettesheim does not test whether correction of the actual alleged misrepresentation or omission was the cause of a price decline; rather, she starts with a list of "significant" price declines and looks to see whether information related to E&C (for this category of allegations, and asbestos for her other category of allegations) is announced around the date of the price decline.

C. The alleged curative disclosures are not curative of alleged misrepresentations

Ms. Nettesheim does not describe how her alleged curative disclosures are, in fact, curative of the alleged misrepresentations in this case. Not only is there no proven link in her report or analysis between the alleged misrepresentations and the curative disclosures, but Ms. Nettesheim never attempted to make such a link, apparently not considering this a necessary step in loss

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23. *Oscar Private Equity Invesments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. May 16, 2007): "We require proof that the misstatement actually moved the market" . . . "When multiple negative items are announced contemporaneously, mere proximity between the announcement and the stock loss is insufficient to establish loss causation." [p. 7, 21]

24. *Dura Pharmaceuticals, Inc. et al. v. Broudo, et al.*, 544 U.S. 336 (2005).

causation analysis. In her deposition, she testified as follows:

> Q. And the reason why, as part of your loss causation analysis, is you're looking at prior statements by the company or officers of the company to identify that the corrective statements that are being identified in your report relates back to a prior statement that was not accurate; is that correct?
>
> A. Well, as I said earlier, I did not link or match up statement by statement earlier statements with the partial disclosures I discussed. [Nettesheim Deposition, pp. 164-165]

Indeed, we are unable to determine, for example, which "severe but undisclosed problems associated with the acquisition and integration of Dresser" were revealed on the alleged disclosure dates. Ms. Nettesheim opines that negative information related to Halliburton's E&C segment is discussed on these dates. We find, however, that negative information related to Halliburton's E&C segment is similarly discussed on other dates during the alleged class period that are not associated by Ms. Nettesheim with the alleged fraud.

For example, on July 26, 2001, a date which Ms. Nettesheim lists as having a positive statistically significant company-specific return,[25] there is negative

25. Nettesheim Report, ¶45.

news announced relating to the E&C business of Halliburton:[26]

> By contrast, Halliburton's engineering and construction unit had operating profit of $25 million, down from $30 million last year, and revenue fell to $1.1 billion from $1.3 billion.

According to Johnson Rice & Company following the announcement that day:

> Engineering & Construction . . . operating income of $25 million was below our $32 million estimate. [Johnson Rice & Company L.L.C, July 26, 2001]

Similarly, on July 27, 2000, a date which Ms. Nettesheim lists as having a positive excess return,[27] there is negative news announced relating to the E&C business of Halliburton:[28]

> Halliburton Co., the world's biggest oilfield services company, said on Wednesday second-quarter earnings fell almost 10 percent as a 13 percent increase in energy services revenues was offset by a 29 percent decline in engineering

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26. The Wall Street Journal, July 26, 2001, "Results Are Strong At Halliburton Co. and Schlumberger."

27. Nettesheim Report, Exhibit 17.

28. Reuters News, July 26, 2000 (after market close), "Halliburton earnings fall as engineering lags."

> and construction revenues . . . Operating income at the Engineering and Construction division fell 44 percent to $36 million.

According to Salomon Smith Barney following the announcement that day:

> The E&C Group reported revenues of just $971 million versus our $1, 135 million forecast, representing a 14% shortfall versus our expectations. [Salomon Smith Barney, July 26, 2000]

No systematic method has been applied by Ms. Nettesheim to determine whether news is an alleged curative disclosure or of which alleged misrepresentation this news is curative. In fact, Ms. Nettesheim has identified allegedly curative disclosures that were not identified in the Complaint. She does not describe how she determined which dates are curative, nor can we find any systematic approach that would yield the set of alleged curative disclosures she has identified.

D. Nettesheim does not properly analyze or control for the E&C industry

Ms. Nettesheim allegedly tests whether the stock price declines are related to the E&C segment. As discussed above, this is not the appropriate test of loss causation for the alleged misrepresentations. Nor is her methodology an appropriate test of whether Halliburton's stock price decline is due to company-specific problems in the engineering and construction business.

Appendix C

Ms. Nettesheim mistakenly claims that, if her industry index does not explain Halliburton's stock price movement on a given date, then any negative news related to Halliburton's E&C segment must be a company-specific problem.[29] Her industry index, however, was not designed to test this hypothesis, as her selection criteria are not based on companies having a substantial E&C segment. The Industry index is composed of 52 companies.

Of the 4 E&C companies detailed in a Merrill Lynch Engineering & Construction industry report analyzing the Halliburton/Dresser merger,[30] only one company, McDermott International, Inc., was included in Ms. Nettesheim's 52-company industry index.

We examined the stock price of Halliburton from the beginning of the alleged class period through Ms. Nettesheim's four alleged curative disclosures related to E&C. We found that, over this period (June 3, 1999 through December 22, 2000), Halliburton's stock price declined 13.25%. We created an index of the stock prices of the E&C companies detailed in the Merrill Lynch industry report, and compared the performance of this E&C index to Halliburton.[31] As can be seen in the graph below, we

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29. Nettesheim Report, ¶88-92.

30. Merrill Lynch report dated March 13, 1998.

31. The index is composed of McDermott International Inc., Foster Wheeler Ltd. and Jacobs Engineering Group Inc. Fluor Corp., although listed in the analyst report, was excluded because of a spin-off during the alleged class period. (As a check, we also

found that the E&C index underperformed Halliburton's stock from the beginning of the alleged class period through Ms. Nettesheim's alleged curative disclosures related to the E&C segment (ending December 22, 2000). While Halliburton's stock price declined 13.25%, the E&C peer companies declined 39.53%. This indicates that a decline in the E&C business over this time period was not a Halliburton-specific phenomenon.

It should be noted that merely changing Ms. Nettesheim's industry index to an E&C index and testing the same four dates that Ms. Nettesheim claims are

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created the index including Fluor while excluding the company's returns of the day of the spin-off. The results are virtually the same.)

alleged curative disclosures would not be a sufficient test of loss causation. The alleged curative disclosures are not the only days on which news regarding E&C issues is released to the market and the allegations in this case are not synonymous with E&C. To analyze loss causation, an understanding of the specific alleged misrepresentations and a causal link to an actual curative disclosure of the alleged misrepresentations is necessary. In addition, one would need to, at a minimum, parse the effect of other potentially confounding news that may be released to the market at the same time.

E. Nettesheim mischaracterizes the underperformance of E&C as due to unrealized benefits from the Dresser merger

Ms. Nettesheim characterizes the underperformance of Halliburton's E&C business in 2000 as being due to unrealized benefits from the Dresser merger.[32] For example, she describes the October 24, 2000 alleged disclosure, in which the company announced the restructuring of the business, as "a partial disclosure concerning the Company's booking unapproved claims . . . and lack of benefits from the Dresser merger."[33]

However, in discussing the E&C segment's problems, analysts and other market participants did not mention any issues related to the merger. Instead, analysts cited

32. Nettesheim Report, p. 37.

33. Nettesheim Report, ¶93.

concerns not about "operational problems," but with unanticipated, cyclical and ongoing industry conditions.

For example, according to an A.G. Edwards & Sons, Inc. report dated October 25, 2000:

> Lower activity levels at Kellogg Brown & Root's (KBR) downstream business continued to have a negative impact on revenues, as projects remain in the planning stage and capital spending remains depressed in the downstream business. In spite of a $6.1 billion backlog at E&C (up from $5.5 billion at the end of 2Q 2000), **the operating environment remains weak** and revenues are expected to decline in 2001. Although maintenance has picked up, large projects continued to be delayed and **consolidation among the major oil companies may cause additional delays.** [Emphasis added]

In a CIBC World Markets report dated October 25, 2000, the analyst notes that:

> **This business is at the trough of its cycle** and there is little work that can be secured in 4Q00 that would begin to impact earnings before 2002. Thus, this business will have to live off its backlog which currently is slightly over $6 billion. We estimate it will complete about half that backlog next year, but at sharply reduced profit margins due to the present overhead

> designed to support substantially more work than will be done. [Emphasis added]
>
> According to a Dain Rauscher Wessels report dated October 25, 2000:
>
> **Revenues were down 30% in the quarter and are not expected to recover until late in 2001 and into 2002.** New downstream construction has been hampered by **reduced spending by the majors following their recent mergers. The recently announced merger between Texaco and Chevron is likely to continue this trend."**[34] [Emphasis added]

An article published by *The Oil Daily* on October 26, 2000 quotes Simmons & Co.'s analyst Dan Pickering:

> "The problem is not with the front-end drilling business, which is performing well. The issue is that large oil companies have been relatively slow in making commitments to big development projects in the $1 billion to $2 billion range," Pickering said.

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34. Since the completion of the merger between Halliburton and Dresser was announced on September 29, 1998, BP Plc acquired Amoco Corp. for $61.7 billion on December 31, 1998, Exxon Corp. acquired Mobil Corp. for $85.2 billion on November 30, 1999, BP Plc acquired Atlantic Richfield for $33.1 billion on April 18, 2000, and Chevron Corp. acquired Texaco Inc. for $45.8 billion on October 9, 2001. Source: Bloomberg L.P. The Complaint does not allege that defendants should have anticipated this industry consolidation.

In some cases, he said mergers have distracted companies from moving forward with big developments that would require the sort of construction services offered by Halliburton.

In addition, oil companies are now more likely to evaluate and "pre-engineer" complex projects for a longer period of time, having been burned by cost overruns from rushing forward with such projects in recent years.

From this perspective, Halliburton is not being punished for poor execution from its engineering and construction unit, but rather for its unfortunate exposure to a currently weak market, Pickering said. [Emphasis added]

Similarly, according to a December 22, 2000 CIBC World Markets research report:

Despite the rise in oil and natural gas prices, HAL has experienced weak performance in its shallow-water marine construction and downstream E&C businesses. The customer base for E&C is consolidating and financially pressured competitors have intensified competition and pricing in the marketplace. As a result, HAL is restructuring its company into two operating segments: the Halliburton Energy Services Group and the Engineering and Construction Group. About $25 million of the $120 million restructuring charge will be

associated with reorganization costs related to severance and facility closures.

The fact that analysts attributed the Engineering & Construction segment's difficulties not to any failure to achieve the benefits of the merger with Dresser, but to industry conditions that were unanticipated at the time of the merger and were of unknown duration demonstrates that the disclosure of these problems is unrelated to the alleged fraud, and, as such, caused no losses.

F. There was non-culpable news released on the dates of the alleged curative disclosures related to the integration of Dresser

According to Plaintiff's Motion, "the *Allegiance* court found that, where there are multiple negatives, not all of which are alleged to be culpable, the Lead Plaintiff has the burden of showing that it was the culpable statement(s) that caused a significant amount of the decline in the stock price ... "[35]

Also according to Plaintiff's Motion, Ms. Nettesheim found that "eleven days corresponded to the release of culpable news, and only one of those days involved multiple pieces of news, some culpable and some not."[36]

However, a review of information released on each of Ms. Nettesheim's four alleged curative disclosure dates

35. Plaintiff's Motion, p. 20.

36. Plaintiffs' Motion for Class Certification, p. 21.

regarding the integration of Dresser shows that there was non-culpable news released on each of them.

1. There was non-culpable news released on October 5, 1999

According to Ms. Nettesheim, the stock price decline on October 5, 1999 was due to a warning from Halliburton that its 3Q 1999 earnings would be lower than expected, and that "the Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group."[37]

The analyst reports on which she relies following this announcement, however, are not consistent with the claim that the decline is entirely, or even in large part, due to allegedly culpable information. For example, the analyst at CIBC World Markets stated that the decline in 3Q 1999 expectations was "mostly due to the slower than expected recovery in oilfield activity this summer in the U.S. and the continuing decline in activity internationally."[38] Thus, the analyst attributed Halliburton's 3Q 1999 weakness to industry issues and not the alleged culpable misstatements.

Furthermore, the same analyst report stated that the weakness in 3Q 1999 earnings was not confined to the business units of the Dresser Equipment Group, as Ms. Nettesheim claims. Instead, the analyst found that

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37. Nettesheim Report, ¶84.

38. See, CIBC World Markets, October 5, 1999.

there was weakness in virtually all areas of the business and further found that the reported weakness was not surprising given the experience of other companies in the industry:

> It also announced that weakness in virtually all areas of its business would result in 3Q EPS declining to between $0.11 to $0.13 vs. current consensus expectations of $0.19 and our estimate of 0.18. [...] The company's announcement of weakness across virtually every business line in 3Q is not surprising, given the slower than anticipated oilfield industry recovery. [CIBC World Markets, October 5, 1999]

Although it is not clear why Ms. Nettesheim considers Halliburton's announcement of the sale of its interest in the joint ventures to be a partial curative disclosure of culpable information, it does not even appear to have been the reason for the stock price decline on October 5, 1999. Analyst commentary suggests that the market considered the sale to be *positive* news.[39]

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39. Note that, although analysts revised earnings expectations downward in part because of the sale of the joint ventures, this was not negative news about the company. Naturally, if the joint venture was expected to generate any future earnings for Halliburton, the sale of the joint venture would eliminate those expected earnings. Merrill Lynch, on the date of this alleged curative disclosure, reduced its future earnings estimates fur 2000 and explained the reduction as follows: "About half the cut reflects elimination of the JV earnings sooner than we expected and the rest reflects reduced expectations for overseas oilfield results." [Merrill Lynch, October 5, 1999]

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Late yesterday afternoon, HAL announced both positive and negative developments. The positive is that HAL will sell its JV interests in Dresser-Rand IR Dresser Pump to Ingersoll-Rand for $1.1 billion (pretax). [Merrill Lynch, October 5, 1999]

2. There was non-culpable news released on January 5, 2000

Ms. Nettesheim admits that non-culpable news was released on January 5, 2000.[40] She nonetheless states that having reviewed all the news and analyst reports, she does not see news or information that can explain Halliburton's price decline on January 5 other than the reductions in earnings estimates made by two analysts (Carol Lau with Brown Brothers Harriman & Co. and K. Simpson of Merrill Lynch). She claims that, "The reductions in earnings estimates are based at least in part on the problems with the large fixed-price contracts and the lack of benefits from the Dresser merger."[41] She states that the Merrill Lynch analyst reduced his estimates for three reasons -(1) "reduced expectations for offshore construction results"; (2) "a reduced growth estimate for oilfield spending outside North America" and (3) "less powerful synergies from the Dresser merger than [h]e had envisioned.[42]

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40. Nettesheim Report, ¶ 88.

41. Nettesheim Report, ¶ 92.

42. Nettesheim Report, ¶ 89.

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Ms. Nettesheim claims that reason 1 (reduced expectations for offshore construction results) represents culpable news. Yet, the Merrill Lynch analyst explains the causes for reason 1 as follows:

> The North Sea likely will be very weak in 2000 and this has historically been a stronghold for HAL. Also, awards of major deepwater development projects continue to be delayed. While HAL should benefit from stronger deepwater earnings in 2001, the biggest positive impact on results may not be until 2002. Our reductions in offshore construction are in line with recent estimate cuts for Cal Dive and Coflexip by our oil service colleague Kurt Hallead. Recall that neither Schlumberger nor Baker Hughes, HAL's full-service oilfield competitors, have exposure to the offshore construction business. [Merrill Lynch, January 5, 2000]

The causes for reason 1 (the reduced expectations for offshore construction results) appear to bear no relationship to the alleged "improper booking of unapproved claims" and "severe but undisclosed problems associated with the acquisition and integration of Dresser." The analyst is projecting weak future business from projects in the North Sea, a delay regarding deepwater development projects and reductions in offshore construction that are in line with competitors.

Ms. Nettesheim admits that reason 2 (a reduced growth estimate for oilfield spending outside North

America) is non-culpable but claims that the price decline on January 5, 2000 is unlikely to have been caused by it. The logic behind this reasoning is not sound. If the price decline is due to the reduction in the analysts' estimates, and if a key factor driving the reduction, according to the analyst, is reduced oilfield spending, then Ms. Nettesheim's claim is self-contradictory.

3. There was non-culpable news released on October 25, 2000

According to Ms. Nettesheim, on October 25, 2000, Halliburton "disclosed that it would be restructuring its engineering and construction units, causing a statistically significant decline on October 25."[43] She claims that, "The price decline on October 25, 2000, was caused by revelations related to operational problems at the engineering and construction units and, to a lesser extent, some analysts' concerns regarding potential asbestos exposure."[44]

According to Plaintiff's Motion, although multiple pieces of negative information were announced on October 25, all of these pieces are alleged to be culpable.[45] The Motion also claims that, although "not required by *Allegiance*, Nettesheim has opined on the significance of each piece of news" associated with the price decline "utilizing the event study, and an empirical analysis."[46]

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43. Nettesheim Report, ¶ 93.

44. Nettesheim Report, ¶ 93.

45. Plaintiff's Motion, p. 21.

46. Plaintiff's Motion, p. 22.

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The only analysis in which Ms. Nettesheim attempted to parse the reasons for the October 25, 2000 stock price decline is a calculation of the percent of the change in analysts' estimates of 2001 operating income that is attributed to E&C versus the rest of Halliburton. In particular, Ms. Nettesheim lists three analyst reports released around October 25, 2000 that provided estimates of expected 2001 operating income for Halliburton's major business segments. She calculates, for each report, the change in estimated operating income for E&C divided by the total change. She finds that the E&C portion ranged (for the three analysts) from 50% to 80% and appears to conclude, without any other analysis, that "The price decline on October 25, 2000, was caused by revelations related to operational problems at the engineering and construction units and, to a lesser extent, some analysts' concerns regarding potential asbestos exposure."[47]

There was non-culpable news released on the day of Ms. Nettesheim's alleged October 25, 2000 curative disclosure. For example, the Dain Rauscher Wessels analyst commented on the weaker than expected international market for the Energy Service Group (ESG) as follows:

> We were also concerned that the expected increase in revenues from international markets continues to be weaker than expected. In the ESG, international revenues were flat sequentially and accounted for only 64% of the total revenue. International activity has been

47. Nettesheim Report, ¶ 93

> slowed by decreased spending by the majors, a trend that does not appear likely to reverse until 2001 at the earliest. [Dain Rauscher Wessels, October 25, 2000]

Plaintiff has not shown that this information should have been known at the beginning of the alleged class period, or that it is related to the allegations regarding the integration of Dresser.

4. There was non-culpable news released on December 22, 2000

With regard to Halliburton's stock price movement on December 22, 2000, Ms. Nettesheim claims:[48]

> Halliburton's stock price reaction that day is consistent with the charge for cost overruns at various projects being a surprise and a concern to the market. I have reviewed all of the news and analysts reports available to me at this time from December 21 and 22, 2000, and find that the negative news and sentiment is predominately about the operational problems, delays and cost overruns for large construction projects. As there was no other negative news released that day, all of the price decline on December 22 was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged by Lead Plaintiff.

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48. Nettesheim Report, ¶ 112

The announcement on this day, however, included negative information regarding increased competitive pressure, and intensified competition in pricing and labor disturbances in Venezuela and West Africa. Plaintiff has not shown or alleged that this information should have been known at the beginning of the alleged class period, or that it is related to the allegations regarding the integration of Dresser. For example, according to CIBC World Markets:

> The customer base for E&C is consolidating and financially pressured competitors have intensified competition and pricing in the marketplace. As a result, HAL is restructuring its company into two operating segments ... Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts ... General industry-wide issues are also impacting the E&C business. Despite high oil and natural gas prices, spending for engineering and construction projects remains depressed. The difficult operating environment has forced some of Halliburton's E&C competition to cut prices and increase competitiveness. [CIBC World Markets, December 22, 2000]

IX. NETTESHEIM DOES NOT PROVE LOSS CAUSATION FOR THE ALLEGATIONS REGARDING THE ACCOUNTING OF UNAPPROVED CLAIMS

Ms. Nettesheim does not prove loss causation for the allegations regarding the accounting of unapproved claims. Plaintiff alleges that, "Halliburton had secretly changed the way it was accounting for Unapproved Claims on construction contracts and was now recognizing them as revenue when the claims were asserted."[49] Further, they allege that, "By including the unapproved claims in the Company's reported revenue, profit and margins were more favorable than they would have been if the accounting policy had not been changed."[50]

Ms. Nettesheim testified that if there is a disclosure in any way related to fixed-price contracts, then she considered it related to the allegations regarding unapproved claims. In her deposition she testified as follows:

> Q. If there is a disclosure of bad news that in any way, shape or form relates to fixed price contracts, then it relates to the allegations about unapproved claims, correct?
>
> A. Yes, in this case I did. [Nettesheim Deposition, p. 181]

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49. Complaint, ¶ 42d.

50. Plaintiff's Motion, p. 5.

Appendix C

An announcement of information that could have some connection to an alleged misrepresentation is not proof of loss causation. Clearly, not all information related to fixed-price contracts is necessarily related to Plaintiff's allegations regarding booking of unapproved claims.

According to the Court in *Zonagen*, "The accurate information causing the decrease must be related to the false information causing the increase. Otherwise, measuring the price effect that the positive statements had by measuring the price decrease after publication of negative statements would be an exercise in pure speculation."[51]

A. The alleged curative disclosures are not curative of alleged misrepresentations regarding the booking of unapproved claims

Ms. Nettesheim appears to find that the same four dates that were allegedly curative of the Dresser integration allegations are also allegedly curative of the unapproved claims allegations.

> The following events [October 5, 1999, January 5, 2000, October 25, 2000 and December 22, 2000] are examples of information disclosed during the Class Period that brought, in part, investors' perceptions of the Company's financial condition related to its booking of

51. *In re Zonagen, Inc. Securities Litigation*, 322 F.Supp.2d 764, S.D.Tex., June 13, 2003 (NO. CIV.A H-98-0693), pp.21-22.

> unapproved claims on fixed-price contracts and the benefits from the Dresser merger more in-line with its alleged true condition at that time.[52]

We find that on none of these alleged curative disclosures dates were the alleged misrepresentations regarding unapproved claims revealed.

October 5, 1999:

Although Ms. Nettesheim claims that October 5, 1999 was a curative disclosure of both the allegations regarding unapproved claims and the integration of Dresser, her discussion of this date includes no mention of the unapproved claims allegations.

According to Ms. Nettesheim, the stock price decline on October 5, 1999 is due to a warning from Halliburton that its 3Q 1999 earnings would be lower than expected, and that, "The Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group."[53]

We find no evidence that October 5, 1999 was a curative disclosure of the unapproved claims allegation.

January 5, 2000

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52. Nettesheim Report, ¶ 83.

53. Nettesheim Report, ¶ 84.

Appendix C

Regarding January 5, 2000, Ms. Nettesheim claims:[54]

> On Wednesday, January 5, 2000, Halliburton made a partial disclosure related to the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits realized from the Dresser merger as revealed in a conversation with analyst Carol Lau with Brown Brothers Harriman & Co.
>
> Carol Lau's report is attached as Attachment B.[55] According to this report:
>
> Following a conversation with the company this morning, we are reducing our fourth quarter 1999 and 2000 EPS estimates. For the fourth quarter, we are trimming our estimate ... to reflect lower oilfield services profits. [...] For 2000, we are reducing our EPS projection...as we are now electing to use more conservative forecasts to reflect the lower base point in the fourth quarter for Energy Services and lower profit expectations in Engineering & Construction. [Brown Brothers Harriman & Co., January 5, 2000]

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54. Nettesheim Report, ¶ 88.

55. Carol Lau issued a research note on the same date, but that also contains no other information regarding unapproved claims.

Carol Lau's report on that day reveals absolutely no information regarding the booking of unapproved claims on fixed-price contracts.[56]

October 25, 2000

With regard to October 25, 2000, Ms. Nettesheim states:[57]

> After market close on October 24, 2000, while announcing its third quarter earnings release, the Company made a partial disclosure concerning the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger .... A significant portion of the negative news, as attributed to the Company, in news reports and by analysts, was related to the problems with the engineering and construction units that Lead Plaintiff alleges could have been and should have been revealed earlier. Thus, a significant portion of the stock price decline on October 25, 2000 was related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged in the Complaint.

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56. We can find no indication in the Nettesheim Report or any of the materials referenced by Ms. Nettesheim, what was revealed by Halliburton to Carol Lau in the referenced conversation.

57. Nettesheim Report, ¶ 93.

Ms. Nettesheim's logic is flawed Ms. Nettesheim claims that if she finds that a price decline is .related to E&C, then it is a curative disclosure of the company's booking of unapproved claims. There is no basis for her conclusion that E&C, a major segment of Halliburton's business, is synonymous with the allegations regarding unapproved claims. We found no evidence of a curative disclosure of the allegations regarding the booking of unapproved claims on October 25, 2000.

December 22, 2000

With regard to December 22, 2000, Ms. Nettesheim states:[58]

> The charges for cost overruns that were announced in December 2000 make clear that the problems in the engineering and construction were related to the large, fixed-price contracts and, therefore, the negative news on October 24 and 25, 2000, is a partial disclosure related to the Company's booking unapproved claims on fixed-price contracts and the lack of benefits from the Dresser merger alleged in the Complaint.

Ms. Nettesheim claims that if a price decline is related to large fixed-price contracts, then it is a curative disclosure of the allegations regarding booking of unapproved claims. This is another instance where she

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58. Nettesheim Report, fn. 61.

inappropriately equates two issues that are not at all synonymous. Ms. Nettesheim's analysis only makes sense under the premise that there are no possible problems that can occur with fixed-price contracts other than those related to the booking of unapproved claims. This premise is false, however, because problems with fixed-price contracts can occur independent of how unapproved claims are booked.

Further, while analysts in fact discuss cost overruns, they attribute these overruns to changes in market conditions, specifically to labor disturbances in Venezuela and West Africa. Plaintiff made no allegations about these labor disturbances or how Halliburton could have known about them at the beginning of the alleged class period and failed to disclose them.

> **What's Going Wrong?** Although the E&C division was weak in the first half of 2000, we were surprised by management's earnings warning on the 3Q conference call. There were concerns that HAL might not have the critical mass to generate consistent and predictable profitability in the E&C business. Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts. HAL has submitted claims on these costs to clients, but HAL does not believe that all the costs will be recovered. Additionally, relationships with some customers have deteriorated and the cost increase claims on seven other projects have not

> resolved as expected. General industry-wide issues are also impacting the E&C business. Despite high oil and natural gas prices, spending for engineering and construction projects remains depressed. The difficult operating environment has forced some of Halliburton's E&C competition to cut prices and increase competitiveness. [CIBC World Markets, December 22, 2000]

B. Risks of cost overruns connected to fixed-price contracts were known by the market before the alleged curative disclosures

Although some of the disclosures alleged by Ms. Nettesheim as being curative relate to fixed-price contracts, we find no indication that they relate to the accounting issue of booking unapproved claims as revenue. The fact that fixed-price contracts were at risk of cost overruns was known by the market even before the beginning of the alleged class period.

> The company will be undertaking large, lump sum fixed price contracts. The potential for cost overruns, and lower earnings from some of this work, will be an ever-present risk. [Prudential Securities, April 7, 1998]

> Engineering and construction is an inherently risky business, as any number of problems can arise when transforming a project idea into a physical reality .... The segment also began

> accepting a greater level of project risk by offering gain sharing or fixed price contracts. [Robinson-Humphrey, October 3, 1998]
>
> The company will be undertaking large, lump-sum fixed-price contracts. The potential for cost overruns is an inherent risk of those businesses. [Prudential Securities, October 7, 1998]

C. Nettesheim's event study analysis shows that there was no statistically significant price reaction to the actual disclosure of the change in accounting for unapproved claims

The four alleged disclosures that Ms. Nettesheim claims are curative of the allegations regarding unapproved claims are not, in fact, curative of the allegations. There is, however, an actual curative disclosure of the accounting of unapproved claims.

On March 14, 2000, the change in Halliburton's accounting practices relating to the booking of revenues related to claims and change orders was disclosed to the market in the company's Form 10-K. This filing included the amounts booked as revenue for claims and change orders for 1998 and 1999.

The Complaint alleges that March 14, 2000 was a partial curative disclosure. Ms. Nettesheim should have used an event study analysis to test the stock price reaction on this date rather than on the four dates on which no curative information is released. While her report does not specifically address this date, Ms. Nettesheim's

event study analysis found no statistically significant price reaction on March 14, 2000, an actual curative disclosure of the unapproved claims allegations.

X. NETTESHEIM DOES NOT PROVE LOSS CAUSATION FOR THE ASBESTOS RESERVES ALLEGATIONS

Ms. Nettesheim does not prove loss causation for the allegations relating to asbestos reserves. She does not show that the allegations inflated Halliburton's stock price or that there was a stock price decline due to a curative disclosure of the allegations. Her statistical results are invalid, as discussed above. She does not link the alleged misrepresentations regarding asbestos reserves to curative disclosures.

A. Nettesheim fails to link the alleged misrepresentations to curative disclosures

1. Nettesheim's loss causation analysis is not based on an understanding of Plaintiff's allegations

Ms. Nettesheim's loss causation analysis does not take into account the specifics of the allegations regarding asbestos reserves. Plaintiff alleges that the asbestos reserves were misleading, and Ms. Nettesheim claims to determine whether dates during the alleged class period were curative of this allegedly misleading information. According to Ms. Nettesheim, however, she does not have an understanding of how Halliburton's asbestos reserves

were estimated, nor how the market perceived how the estimation was made.

> Q. Let me ask it this way: You understood, did you not, that throughout the class period, or at no time during the class period did Halliburton suggest to the marketplace that its current asbestos reserve was intended to apply to whatever future exposure the company had to asbestos, no matter how far down the road?
> A. As I said earlier, I don't have a specific -I didn't think of it in that way. [Nettesheim Deposition, pp. 115-116]

> Q. You don't recall seeing the company's description of the asbestos reserves and its methodology for it?
> A. I recall looking at it generally, but that wasn't something I was looking at specifically so I don't recall specifically what was said.

> Q. And would you agree with me that all of the analysts who were following Halliburton whose reports you saw at least understood that Halliburton was reserving only for pending or open asbestos claims as opposed to whatever the future universe of asbestos claims may be?
> A. You would have to show me the specific analyst reports. [Nettesheim Deposition, pp. 116-117]

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Without an understanding of what Plaintiff alleges the misrepresentations regarding the asbestos reserves are, what the asbestos reserves represented, and what the market believed the reserves represented, Ms. Nettesheim cannot reliably test whether an announcement about asbestos was a curative disclosure of the alleged misrepresentations regarding asbestos reserves.

2. The alleged curative disclosures are not curative of alleged misrepresentations regarding asbestos reserves

Plaintiff alleges that Halliburton misled investors about the adequacy of its reserves for pending asbestos claims.[59] Ms. Nettesheim provides no evidence or analysis to prove that any of the dates alleged as partial curative disclosures in the Complaint or in her report are actually curative of Plaintiff's allegations regarding asbestos reserves. Ms. Nettesheim supports her claim of loss causation for the allegations regarding asbestos reserves by listing market commentary generally related to Halliburton's or Dresser's asbestos liability on or about the dates of significant price declines. She provides no evidence that the movement of Halliburton's stock price on those dates is caused by news about reserves for pending asbestos claims, as per Plaintiff's allegations.

Halliburton's reserves were calculated based on pending claims, and did not include estimates of future claims. According to Halliburton's 1999 Form 10-K:

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59. Plaintiff's Motion (p. 6) quotes Halliburton's statements about reserves for pending claims.

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> We have established a reserve estimating our liability for asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers .... At the end of 1999, there were about 107,650 open claims, including 19,000 for which settlements are pending. This compares with 70,500 open claims at the end of 1998. The accrued liabilities for these claims and corresponding receivables from carriers were as follows:
>
> [Table omitted]
>
> We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings could materially impact the expected resolution of asbestos related claims. However, based upon our historical experience with similar claims, the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos, and our understanding of the facts and circumstances that gave rise to such claims, we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Ms. Nettesheim admits that in her mind it was sufficient that a news release was related to asbestos for her to claim that that news release was a partial curative disclosure.

Q. So in your mind, this news release on June 28, 2001, was that a partial disclosure of , or is it, again, all of the company's prior statements about asbestos?

A. It relates to the allegations regarding the under reserving of the asbestos reliability [sic].

Q. How does it relate?

A. It is talking about asbestos claims and the potential asbestos liability of Halliburton.

Q. And that's a sufficient link in your mind?

A. Yes. [Nettesheim Deposition, p. 124]

Ms. Nettesheim alleges seven partial curative disclosures of the alleged misstatements related to asbestos reserves, several of which are not referenced in the Complaint:

- June 29, 2001 (alleged in Complaint as June 28, 2001 and Nettesheim Report);
- August 9, 2001 (alleged in Nettesheim Report);
- October 31, 2001 (alleged in Nettesheim Report);
- November 1, 2001 (alleged in Nettesheim Report);

- December 4, 2001 (alleged in Nettesheim Report for the date and Complaint referencing the "beginning of December");

- December 5, 2004 (alleged in Nettesheim Report for the date and Complaint referencing the "beginning of December"); and

- December 7, 2001 (alleged in Complaint and Nettesheim Report).

According to Ms. Nettesheim, the information disclosed on each of these alleged curative disclosures was as follows:[60]

- June 29, 2001: "Halliburton announced that a former subsidiary of Dresser, Harbison-Walker ('Harbison'), had been requesting the Company's financial assistance with asbestos claims Harbison agreed to assume in 1992 after it was spun off from Dresser. Certain analysts expressed concern over the Company's potential exposure to asbestos liability."

- August 9, 2001: "Halliburton filed Form 10-Q with the SEC, in which it increased its accrued net liability for known open asbestos claims to $124 million (from $30

60. Nettesheim Report, ¶ 45.

million on March 31, 2001, and $29 million on Dec. 31, 2000). Certain analysts responded that the situation was now more complex and uncertainty was increased."

- October 31, 2001: "A jury in Mississippi found Dresser (through Harbison) liable in two of six asbestos cases for total compensatory damages of $21.3 million. One analyst was surprised by the size of the award."

- November 1, 2001: Ms. Nettesheim states that there is no company-specific news released on this day. She alleges that the price decline may reflect further concern related to the October 31, 2001 news.

- December 4, 2001: "A Texas District Court had entered a judgment against Dresser on a $65 million jury verdict rendered in September 2001. The same district court also entered three additional judgments against Dresser in favor of 100 other asbestos plaintiffs in the aggregate amount of $35.7 million related to an alleged breach of a purported settlement agreement."

- December 5, 2004: Ms. Nettesheim states that there is no company-specific news released on this day. She alleges that the price decline may reflect further concern related to the December 4, 2001 news.

- December 7, 2001: "A Maryland jury had

> awarded a $30 million verdict against Dresser in favor of five plaintiffs in an asbestos litigation. Several analysts issued reports that day in response; some downgraded ratings and lowered price targets citing mounting asbestos liabilities."

The information that Ms. Nettesheim alleges is released on each of these dates, although related to asbestos, is not curative of the alleged misrepresentations, and Ms. Nettesheim provides no further link other than that the general topic of the announcement is asbestos.

For example, on June 28, 2001, the first alleged curative disclosure regarding the asbestos reserves allegations, Halliburton announced that Harbison-Walker had requested Halliburton's financial assistance with asbestos claims.[61] There is no allegation in the Complaint, or in Ms. Nettesheim's report or testimony, that Halliburton knew or should have known prior to June 28, 2001 that Harbison-Walker would request financial assistance from Halliburton for its asbestos claims. Ms. Nettesheim testified as follows:

> Q. Is it your testimony that sometime --that prior to June 28th, 2001, Halliburton at some point said that Harbison will never request or need our assistance on any of the asbestos claims they agreed to assume back in 1992?

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61. PR Newswire, June 28, 2001, 4:46PM, "Harbison-Walker Asks Halliburton for Assistance With Asbestos Claims."

A. No, that's not my testimony.

Q. Is it your testimony that this was -- this announcement, June 20th, 2001 [sic], was some announcement that Halliburton was required to make earlier than it did?

A. No, that's not my testimony.

Q. Is it your testimony that the request by Harbison for assistance on the asbestos claim that Harbison agreed to was something that should have been predicted by Halliburton and disclosed to the marketplace prior to June 28, 2001?

A. It's not something I examined so it's not my testimony. [Nettesheim Deposition, pp. 123-124]

The August 9, 2001 alleged curative disclosure occurs on the date on which Halliburton tried its 2Q 2001 Form 10-Q with the SEC, which disclosed, among many other things, an increase in the number of asbestos claims pending and an increase in reserves. However, nearly all of this increase was due to the inclusion of the Harbison-Walker claims, which is not an inclusion that would have been known at the beginning of the alleged class period. Moreover, the actual claim experience in 2Q 2001 was an increase in filings from prior quarters. In 2Q 2001, approximately 28,000 claims were filed, versus approximately 18,000 claims filed in 1Q 2001, and versus an average of approximately 11,000 claims filed per

quarter in 2000.[62] These 2Q 2001 claim filings were not in the estimated value of pending claims in prior periods and therefore their inclusion in the current reserve is not curative of the allegations that the value of prior pending claims was misleading.

The stock price declines on five of the alleged curative disclosure dates are all, according to Ms. Nettesheim, related to jury verdicts. These verdicts were considered surprising.

For example, on October 31, 2001, a jury in Lexington, Mississippi awarded compensatory damages of $150 million, a verdict that was unexpected.

According to A.G. Edwards:

> This jury award sets new precedents; the size of award is enormous and jury finding was based on shortness of breath and spots on the lung, not actual presence of asbestosis, a form of asbestos-related lung cancer.... Size of jury award was unexpected and is likely to have a negative impact on stock price tomorrow.... we believe that HAL's current stock price adequately discounts potential asbestos liability risk. [A.G. Edwards, October 31, 2001]

According to Salomon Smith Barney:

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62. See, Halliburton's Form 10-Q filed May 11, 2001, p.9 and Form 10-Q filed August 9, 2001, p.10.

> We continue to monitor the situation closely and we recognize the unpredictability and apparent irrationality of the asbestos litigation environment in general. [Salomon Smith Barney, October 31, 2001]

There is no evidence presented by Ms. Nettesheim or Plaintiff of how Halliburton could have foreseen these verdicts at the beginning of the alleged class period.

3. There is no consistency in Nettesheim's choice of curative disclosure dates used to test loss causation for the asbestos reserves allegations

Not only does Ms. Nettesheim use the wrong criteria for selecting alleged curative disclosures (choosing dates when some information related to asbestos is released, rather than dates on which information curative of the alleged misrepresentations is released), she does not even consistently apply her own misguided criteria. There are dates where information related to asbestos is announced that Ms. Nettesheim does not consider curative disclosures. For example, on April 7, 2000 a Reuters News article stated:[63]

> Highlands Insurance Group Inc and a Texas unit have sued their former parent, Halliburton Co, demanding that Halliburton and its Brown

63. Reuters News, April 7, 2000, "Highlands Insurance sues Halliburton on asbestos claims."

& Root subsidiary cover "millions of dollars" in costs expected from 22,000 asbestos claims.

And on March 21, 2001, a Dow Jones News Service article stated:[64]

Highlands Insurance Group Inc. (HIC) said a Delaware chancery court ruled in its favor in a case against Halliburton Co. (HAL) regarding fixed-cost insurance policies.... Highlands issued fixed premium, guaranteed cost insurance policies to Brown & Root, a unit of Halliburton. Since the mid-1990;s, more than 20,000 third-party asbestos claims have been made against Halliburton, which alleged coverage under these policies, Highlands said.

B. Nettesheim fails to control for changes in the asbestos litigation environment

Ms. Nettesheim claims to have isolated the decline in Halliburton's stock price that is related to allegations regarding asbestos reserves. She claims to have done so by having performed an event study that uses a market index and an industry index. Yet, as mentioned above in Section VII.C, she has done nothing to include in her index companies with similar asbestos exposure to Halliburton. In fact, nothing about her procedure for selecting companies involves considering a company's asbestos exposure at all. Ms. Nettesheim testified:

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64. Dow Jones News Service, March 21, 2001, "Highlands Insur Wins Judgment Vs Halliburton Co."

> Q. Did any of the companies in your index have any potential asbestos exposure?
>
> A. For these specific companies, I don't know.
>
> Q. That's not something that you or anybody on your team tried to ascertain?
>
> A. We relied on the indices, including them as comparables, and then analyst reports describing them as comparables. [Nettesheim Deposition, pp. 21-22]

Ms. Nettesheim has not properly parsed the effect of news related to the asbestos litigation environment in general from the effect of news specific to Halliburton's asbestos exposure.

C. The stock prices of other asbestos defendants reacted to Halliburton's alleged curative disclosure, indicating that the disclosure contained information other than about Plaintiff's allegations regarding asbestos reserves

Following the release of news of one of the verdicts against Halliburton, the stock prices of other asbestos defendants declined. This indicates that Halliburton's alleged curative disclosure contained information separate from Plaintiff's alleged misrepresentation about Halliburton's asbestos reserves.

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According to a Reuters News article on December 10, 2001:[65]

E. On the day of one of the alleged curative disclosure, Moody's downgraded Halliburton for reasons separate from Plaintiff's allegations regarding asbestos reserves

On December 7, 2001, the date of one of Ms. Nettesheim's alleged disclosures regarding asbestos reserves, Moody's, a ratings agency, downgraded Halliburton's credit rating outlook. The reasons provided by Moody's for the downgrade were unrelated to Plaintiff's allegations. In particular, Moody's stated that the downgrade reflected concerns over uncertainty about the future of asbestos claims, and the inconsistencies in the size of judgments.

> Moody's confirmed the A1 senior unsecured debt ratings of Halliburton Company and changed the rating outlook from stable to negative. The change in rating outlook is in response to a series of recent adverse asbestos-related judgements [sic] against Halliburton and other plaintiffs [sic] and **reflects Moody's concerns about the uncertainty of future asbestos claims, the adequacy of U.S. tort laws to deal with such claims, and the**

65. Reuters News, December 10, 2001, "Anxious investors sell stock of asbestos defendants."

> **inconsistency in the size of the judgements** [sic]. In addition, Moody's believes recent bankruptcy filings have reduced the number of companies that law firms active in asbestos litigation can target, which could make law firms more aggressive in looking for plaintiffs against companies. [Moody's Investor Service Press Release, December 7, 2001]

Moody's downgrade of Halliburton's credit rating outlook is separate from Plaintiff's allegations regarding asbestos reserves. Ms. Nettesheim's analysis fails to account for the effect of this confounding news.

XI. THERE IS NO EVIDENCE IN NETTESHEIM'S EVENT STUDY THAT THE ALLEGED MISSTATEMENTS INFLATED HALLIBURTON'S STOCK PRICE

Plaintiff alleges that Halliburton made "a series of false and misleading statements that misrepresented the condition and success of Halliburton's business"[67] and that this resulted in "artificial inflation in Halliburton's stock price ... during the Class Period."[68] We reviewed the Complaint for all dates during the alleged class period on which Plaintiff alleges that misstatements were made and thereby allegedly inflated Halliburton's stock price.

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67. Complaint, ¶ 2.

68. Complaint, ¶ 3.

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We then reviewed Ms. Nettesheim's analysis to determine whether, according to her analysis, the alleged misstatement resulted in a statistically significant increase in Halliburton's stock price. As detailed in the table below, we find that, according to Ms. Nettesheim's event study analysis, on only two of 22 dates of alleged misstatements in the Complaint was there a statistically significant stock price increase.

Date	Alleged Misstatement in the Complaint	Alleged Relevant Allegations	Statistically Significant Price Increase According to Nettesheim
7/22/1999	Halliburton reported its 2ndQ 99 results ... Although these results continued to reflect adverse industry conditions, again the results were better than expected, which Cheney and Lesar told analysts was due to their superior management of Halliburton... [¶109]	All allegations	No
8/13/1999	Halliburton filed its 2Q 99 10-Q ... 'In our opinion, the condensed consolidated financial statements present fairly our financial position as of June 30, 1999 . . . [W]e continue to believe that provisions recorded are adequate to cover the estimated loss from asbestosis litigation.' [¶112,¶113]	All allegations	No

9/13/1999	Lesar said ... : 'Management originally targeted cost savings and related synergies from the Dresser merger totaling $250 million per annum, but following further headcount reductions and significant facility consolidations, the company is now projecting annual benefits of $500 million.' [¶115]	All allegations	No
10/21/1999	Halliburton reported its 3rdQ 99 results: '... Reduced worldwide spending by energy industry customers, which accounted for approximately 85 percent of Halliburton's 1998 revenues, was the principal factor in reduced ... income.' [¶117]	All allegations	No
11/15/1999	Halliburton filed its 3Q 99 10-Q ... '[T]he condensed consolidated financial statements present fairly our financial position as of September 30, 1999 ... [W]e continue to believe that provisions recorded are adequate to cover the estimated loss from asbestosis litigation. [¶118, ¶119]	All allegations	No

1/27/2000	Halliburton issued a release reporting its 4thQ 99 and full year results... "Halliburton's ... extensive worldwide operational infrastructure, ... position[s] it well for 2000 and beyond," said Dick Cheney. [¶120]	All allegations	No
3/14/2000	Halliburton issued its 99 Annual Report ... The report contained a letter from Cheney which stated: 'The merger with Dresser Industries is now behind us. Integrating the operations of the two companies ... [has] been an important part of our transition to the future .... The potential rewards to our shareholders are vast.' ... [T]he 99 Annual Report ... stated: '[W]e believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.' [¶122, ¶126]	All allegations	No

4/26/2000	Halliburton reported its 1stQ 00 results ... The following was stated: 'Cheney: ... We see our stock as one of the best investment opportunities in the oil service industry .... [I]n the short-term, (Halliburton's construction operations) will continue to generate good profits as they work off existing projects. Now is a great time to be a Halliburton shareholder ... .' [¶129]	All allegations	No
5/15/2000	Halliburton filed its 1stQ 00 10-Q ... The 10-Q contained the same financial information as in Halliburton's 4/26/00 release ... [T]he 10-Q ... stated: '[W]e believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations ... [T]he condensed consolidated financial statements present fairly our financial position as of March 31, 2000 ... ' [¶130]	All allegations	No

7/26/2000	Halliburton held a conference call … During the call … 'Cheney: ... I have got every confidence that - Halliburton has a very bright future ahead of it. I think we have done a good deal over the last several years to strengthen the company .... Lesar: ... Clearly, Halliburton is well positioned ...' [¶132]	All allegations	No
8/10/2000	Halliburton filed its 2ndQ 00 10-Q ... The 10-Q ... represented: ' ... the condensed consolidated financial statements present fairly our financial position as of September 30, 2000' … [T]he 10-Q ... stated, "we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations." On 9/6/00, Halliburton stock reached its Class Period high of $55.18 per share. [¶139]	All allegations	No

11/9/2000	Halliburton filed its 3rdQ 00 10-Q ... (The 3rdQ 00 10-Q ... represented: "[W]e believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations." [¶148]	Asbestos reserves	No
1/30/2001	Halliburton issued a release regarding its 4thQ 00 results, ... increasing the $120 million loss charge announced on 12/21/00 by $73 million to $193 million with $157 million being attributed to project losses. As a result, Halliburton suffered a 4thQ 00 loss of $21 million. [¶155]	Asbestos reserves	No
3/27/2001	Halliburton issued its 00 Annual Report ... [T]he 00 Annual Report ... stated: '[W]e believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.' [¶158, ¶160]	Asbestos reserves	No

4/25/2001	Halliburton reported very strong 1stQ 01 results ... Lesar stated: ..., A few highlights from the ESG for the quarter include a 43% year over year growth in revenues for the group, operating income, which quadrupled year over year for the Energy Services Group, the highest we have seen since we have the merger with Dresser.' [¶161, ¶162]	Asbestos reserves	Yes
5/11/2001	Halliburton filed its 1stQ 01 10-Q ... [T]he 1stQ 01 10-Q ... again assured 'that the open asbestos claims asserted against us will be resolved without a material adverse effect on our financial position or results of operations. [¶166]	Asbestos reserves	No
6/28/2001	Halliburton, for the first time, disclosed that a former Dresser subsidiary had asked for asbestos claims management and financial assistance from Halliburton. [¶170]	Asbestos reserves	No

7/25/2001	Halliburton held a conference call for analysts and money managers ... : 'Lesar: ... Based on our analysis of Harbison's claims at this point in time and our concern that they may not be able to perform under their obligations, however, we thought it was prudent to accrue $60 million after-tax against the gain on the discontinued operations which, we believe, in our best judgment, is the potential exposure we have for this asbestos litigation ... .' [¶175]	Asbestos reserves	Yes
8/9/2001	Halliburton filed its 2ndQ 01 10-Q ... The 10-Q repeated Halliburton's earlier reported 2ndQ 01 financial results and also stated ... that Halliburton had an accrued liability of $124 million and that 'the known open asbestos claims asserted against us will be resolved without a material adverse effect on our financial position or results of operations.' [¶178]	Asbestos reserves	No

10/4/2001	Foshee spoke at a Deutsche Banc Alex. Brown seminar for analysts and specifically discussed the asbestos situation, but did not disclose the recent huge verdict. [¶183]	Asbestos reserves	No
10/23/2001	Halliburton held a conference call for analysts and money managers, conducted by Lesar and Foshee, Halliburton' s new CFO: 'Foshee: ... There really is not any, anything new to report on Harbison-Walker other than the fact that that new claims, during the quarter naming Dresser as a defendant, were only 1,300. Beyond that, we just don't have enough information yet to start to put detailed numbers together ... on-things like the total settlement cost.' ...	Asbestos reserves	No

	'Lesar: But, I think it's fair to say ... that there have been no adverse developments at all with respect to the Harbison-Walker situation ..... [O]ur settlement rate continues to be at historical levels .... And ... we keep getting paid by our insurers for those that we do settle. And I think those are three early positive data points that people need to start puffing into their thinking ...., [¶185]		
11/8/2001	Halliburton filed its 3rdQ 01 10-Q ... [T]he 10-Q reported an accrued liability of $125 million and stated: '[W]e believe that open asbestos claims will be resolved without a material adverse effect on our financial position or the results of operations.' [¶189]	Asbestos reserves	No

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On 20 of the 22 alleged missstatement dates in the Complaint, Ms. Nettesheim's event study results are not consistent with an increase in alleged inflation in Halliburton's stock price. April 26, 2001 and July 26, 2001, the only dates of statistically significant price increases, are also not consistent with alleged inflation entering Halliburton's stock price.

Plaintiff only alleged misstatements regarding asbestos reserves on these two dates. And from these dates on, through the rest of the alleged class period there are no further alleged misstatements or curative disclosures regarding the integration of Dresser and unapproved claims allegations. Therefore, logically, the only allegation that could allegedly inflate the stock price on these dates relates to asbestos reserves. Yet neither of these dates are consistent with a claim of inflation regarding asbestos reserves. On April 25, 2001 we cannot find any news about asbestos at all. On July 26, 2001, Halliburton announced an *increase* in its asbestos reserves, which, according to Plaintiff's theory, should have lowered Halliburton's stock price, and therefore not the cause of alleged inflation. The likely explanation for the increase in the stock price on both of these dates is positive earnings announcements.[69] The positive earnings announcements cannot be linked to loss causation because there are no subsequent alleged curative disclosures related to any of the allegations other than those regarding asbestos reserves.

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69. On April 25, 2001, Halliburton issued a press release: "Halliburton Company First Quarter Earnings Increase 219 Percent -Energy Services Group Operating Income Quadruples." On July 25, 2001, Halliburton issued a press release: "Halliburton Company Second Quarter Revenues and Earnings Continue to Soar."

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XII. IF NETTESHEIM'S METHODOLOGY IS APPLIED TO A PEER OF HALLIBURTON, IT ILLOGICALLY APPEARS TO YIELD LOSS CAUSATION FOR THE PEER

As further evidence that Ms. Nettesheim's methodology is unreliable, when her methodology is applied to a company different from Halliburton, her methodology appears to yield loss causation for that company as well. As an example, we applied Ms. Nettesheim's methodology to one of Halliburton's peers: McDermott International, Inc. ("McDermott").

We performed the same steps used by Ms. Nettesheim in her analysis of loss causation to McDermott.

Step 1: **An event study test of the statistical significance** of McDermott's stock price movement on each day during the alleged class period (in this matter): we used the same control period and the same market and industry indexes, only replacing McDermott with Halliburton in the industry index, and, like Ms. Nettesheim, tested the statistical significance on each day during the alleged class period. For Halliburton, Ms. Nettesheim found 31 dates during the alleged class period with statistically significant price movements; for McDermott, we found 97 dates with statistically significant price movements. Note that McDermott had more than three times as many statistically significant price movement dates during the alleged class period as Halliburton, which is more than would be expected given the normal daily movement over the control period.

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Step 2: **A review of the news** on each statistically significant day. Ms. Nettesheim's methodology is to simply look for any "information about the engineering and construction business" to justify designating her statistically significant price decline days as curative disclosure days.[70] If we apply Ms. Nettesheim's methodology to McDermott, which is listed as being part of her industry index in Exhibit 16 to her report, we can similarly "justify" loss causation for a number of negative announcements relating to that company. We searched for news announced about one of McDermott's major business units, the Marine Construction Services unit ("Marine Construction"). McDermott's Marine Construction unit parallels some of the functions of Halliburton's E&C unit.[71]

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70. For example, she testified as follows regarding her conclusion that December 22, 2000 was a curative disclosure of the allegations related to unapproved claims and the integration of Dresser: "I mean, generally, it contains information about the engineering and construction business. And it gives you some information about that business." [Nettesheim Deposition, p. 126]

71. Halliburton's Form 10-K filed on March 27, 2001 states: "Brown & Root Energy Services provides worldwide engineering and construction services ... The offshore group integrates capabilities required to plan, engineer, construct, and operate offshore production facilities...Capabilities include the engineering, procurement, and construction of offshore drilling and production platforms..."

McDermott's Form 10-K405 filed March 27, 2001 states: "Marine Construction Services... This segment's principal activities include the design, engineering, fabrication and installation of offshore drilling and production platforms and other specialized structures ... and procurement activities." [p. 5]

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Step 3: **A determination of loss causation** - if the news on a day of a statistically significant negative reaction was related to the "allegations." We found that there are multiple instances of negative news announcements regarding Marine Construction during the alleged class period which had statistically significant negative price reactions according to Ms. Nettesheim's methodology.

There are two tables below. The first table presents Ms. Nettesheim's loss causation results for Halliburton, while the second table presents the application of Ms. Nettesheim's loss causation methodology to McDermott. For Halliburton, the methodology yielded four curative disclosures "proving" loss causation; for McDermott, the methodology yielded five curative disclosures "proving" loss causation.

The following is an excerpt from the Nettesheim Report for her four alleged curative disclosures relating to Halliburton's E&C business.[72]

72. Nettesheim Report, ¶45.

Results of Nettesheim Loss Causation Analysis for Halliburton

Date	Actual Return	Company-Specific Return	News
10/5/1999	-13.2%	-9.0%	The Company warned that it expected its 1999 third-quarter earnings to be in the range of 11 to 13 cents per diluted share. The previous average analyst estimates was 19 cents per share. The Company attributed the reduction in large part, to the lower than expected profits of the joint ventures of its engineering construction units and many of the other business units of the Dresser Equipment Group.
1/5/2000	-4.4%	-4.3%	Analysts cut their estimates of Halliburton's earnings for 2000 and 2001 following a conversation with the company.
10/25/2000	-11.0%	-6.6%	Halliburton announced that it intended to restructure and shrink its engineering and construction units into a single unit, which prompted certain analysts to cut earnings forecasts.

12/22/2000	-2.7%	-3.9%	On December 21, Halliburton pre-announced fourth-quarter earnings and formally unveiled the restructuring of its engineering and construction units and stated that it planned to take a charge of $120 million in the fourth quarter, the bulk of which was due to cost overruns at several overseas projects. On December 22, the overall market was up more than 3.0% such that this was as statistically significant decline.

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Similarly, we present a table for McDermott of selected dates with statistically significant price declines listing actual returns, company specific returns, and descriptions of negative news relating to Marine Construction.

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Results of Nettesheim Loss Causation Analysis as Applied to McDermott

Date	Actual Return	Company-Specific Return	News
11/11/1999	-26.7%	-25.0%	The Company released its 1999 second-quarter earnings, an Associated Press article stated:[73] "Second-quarter earnings at McDermott International Inc., an energy services company, fell sharply because of a fall in demand for offshore petroleum construction services, the company reported ...the market for marine construction services probably will not begin to recover before the first quarter of the 2000-2001 fiscal year."
11/12/1999	-36.4%	-39.6%	Represents further concern about prior day's earnings announcement. An article from Reuters News stated:[74] "Shares of engineering and construction company McDermott International Inc. fell sharply for the second straight day on Friday following the company's report of disappointing quarterly earnings ... McDermott said the decline in earnings was most marked at its Marine Construction business ..."

73. Associated Press Newswires, November 11, 1999, "Slowdown in offshore activity cuts earnings sharply."

74. Reuters News, November 12, 1999, "McDermott shares fall again sharply."

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2/22/2000	-11.6%	-10.2%	The Company released its 1999 third-quarter earnings, an Associated Press article stated:[75] "McDermott lost $23.2 million, or 39 cents per share ... Analysts surveyed by First Call-Thomson Financial had forecast third-quarter earnings of 17 cents per share ... McDermott said the reduced revenue primarily came from J. Ray McDermott, its marine construction services unit"
8/2/2000	-6.3%	-7.5%	The Company released its 2000 second-quarter earnings, an Associated Press article stated:[76] "McDermott lost $10 million, or 17 cents per share ... Analysts surveyed by First Call-Thomson Financial had forecast a second-quarter profit of 6 cents per share ... McDermott has been suffering losses in its marine construction division."

75. Associated Press Newswires, February 22, 2000, "Third-quarter earnings take a nosedive."

76. Associated Press Newswires, August 2, 2000, "Second-quarter loss, new chief executive officer."

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2/23/2001	-15.6%	-14.1%	The Company released its 2000 fourth-quarter earnings, a Business Wire article stated:[77] "McDermott International Inc. (NYSE: MDR), today reported a net loss of $25.5 million, or $0.42 a diluted share, for the fourth quarter of 2000" and a Dow Jones News Service article stated:[78] "Warning of continued low marine construction volume, McDermott said its first quarter earnings are likely to be below the breakeven level that analysts are currently expecting."

77. Business Wire, February 23, 2001, "McDermott International Reports Fourth Quarter and Year-End Earnings for December 2000."

78. Dow Jones News Service, February 23, 2001, "McDermott Intl 4Q Losses 42c/Shr On Chgs Vs 39c."

The fact that Ms. Nettesheim's methodology yields loss causation when applied to another company is further evidence of the method's unreliability. Based on Ms. Nettesheim's methodology for testing loss causation, one could conclude loss causation for McDermott, including, for example, for allegations regarding unapproved claims. (While the McDermott disclosures above do not mention unapproved claims, neither did the Halliburton disclosures that Ms. Nettesheim claims were curative.) Such a conclusion is clearly unreasonable given that there are no allegations that McDermott made any misrepresentations regarding unapproved claims. A test is not reliable if, regardless of the underlying condition under study, it yields a positive result.

XIII. SUMMARY

Ms. Nettesheim has not proven loss causation. The Nettesheim Report does not show a causal link between any of the alleged misstatements and Plaintiff's alleged economic loss. The event study used to test loss causation is methodologically flawed. It is based on tests of statistical significance that are invalid and do not produce reliable or robust results.

Ms. Nettesheim has no systematic or reliable method of identifying curative disclosures and testing loss causation. There is non-culpable news released on the dates of her alleged curative disclosures, and she performs no analysis to determine whether Halliburton's stock price decline on the dates of her alleged curative disclosures is due to non-culpable news.

Appendix C

To analyze loss causation, an understanding of the specific alleged misrepresentations and a proper linking to an actual curative disclosure of the alleged misrepresentations is necessary. In addition, one would need to, at a minimum, parse out the effect of other potentially confounding news that is released to the market at the same time.

Not only does Ms. Nettesheim's analysis not support the finding of loss causation, the evidence presented in her report indicates the contrary:

- According to her event study, there is no significant stock price increase that can be attributed to any of the alleged misstatements.

- The total number of statistically significant price reactions during the alleged class period is no more than expected given the normal daily variation of the stock price.

- Her results are not robust to small changes in the methodology, e.g., if the control period changes, most of the alleged curative disclosures are no longer statistically significant.

- On the only curative disclosure actually linked to an alleged misrepresentation (the disclosure of the accounting for unapproved claims in the 1999 Form 10-K), there is no statistically significant price reaction.

/s/
Lucy P. Allen

Appendix C

SUPPLEMENTAL APPENDIX

ATTACHMENTS TO EXPERT REPORT OF LUCY P. ALLEN, IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION DATED NOVEMBER 16, 2007:

Attachment A..... SA573

Attachment B..... SA579

Appendix C

SUPPLEMENTAL APPENDIX

EXCERPTS FROM APPENDIX TO DEFENDANTS' RESPONSE TO LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION in the UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION DATED NOVEMBER 16, 2007:

Exhibit 4 ..... SA454

Exhibit 5 ..... SA462

Exhibit 6 ..... SA474

Exhibit 7 ..... SA481

Exhibit 8 ..... SA486

Exhibit 9 ..... SA491

Exhibit 10 ..... SA496

Exhibit 11 ..... SA504

Exhibit 12 ..... SA511

Exhibit 13 ..... SA514

Exhibit 14 ..... SA518

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Exhibit 15 ..... SA522

Exhibit 16 ..... SA525

Exhibit 17 ..... SA529

Exhibit 18 ..... SA533

Exhibit 19 ..... SA536

Exhibit 20 ..... SA539

Exhibit 21 ..... SA542

Exhibit 22 ..... SA548

Exhibit 23 ..... SA552

Exhibit 24 ..... SA557

Exhibit 25 ..... SA561

Exhibit 26 ..... SA566

APPENDIX D — LEAD PLAINTIFF'S REPLY IN SUPPORT OF ITS MOTION FOR CLASS CERTIFICATION IN THE UNITED STATES COURT FOR THE NORTHERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf of itself and All Others Similarly Situated,

Lead Plaintiff,

v.

HALLIBURTON COMPANY, et al.,

Defendants.

Civil Action No. 3:02-CV-1152-M

LEAD PLAINTIFF'S REPLY IN SUPPORT OF ITS MOTION FOR CLASS CERTIFICATION

Respectfully submitted,

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THE ARCHDIOCESE OF
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Additional counsel appear on signature page

[Tables Intentionally Omitted]

Appendix D

As demonstrated in Plaintiff's Motion for Class Certification, Plaintiff has established each of the requisites for class certification. Plaintiff Archdiocese of Milwaukee Supporting Fund ("AMS Fund or Plaintiff") has shown that it, along with Col. Ben Allen Murphey ("Col. Murphey"), are adequate class representatives whose claims are typical of the class. Moreover, Plaintiff has made the requisite showing of market efficiency (which Defendants do not dispute) and loss causation, and thus is entitled to prevail upon the fraud-on-the-market theory for purposes of class certification.

I. PLAINTIFF HAS SATISFIED THE REQUIREMENT OF RULE 23(b)(2).

Defendants do not dispute that Plaintiff has satisfied the numerosity, commonality, and adequacy of counsel requirements of Rule 23(b)(2), and have focused instead on the typicality and adequacy of AMS Fund and Col. Murphey. Defendants' attacks are without merit, and the Court should certify both AMS Fund and Col. Murphey as representatives of the class.

A. AMS Fund Is an Adequate Class Representative Whose Claims Are Typical of the Class.

In attacking the adequacy and typicality of AMS Fund, Defendants argue that AMS Fund's delegation of its investment decisions to a money manager and the fact that an officer other than Paula John appeared for the 30(b)(6) deposition make the AMS Fund an atypical and/or inadequate Class Representative. In support of

the first attack, Defendants cite two district court cases from the Seventh Circuit that are not even followed in their own circuit. For the latter argument, they cite no authority at all.

1. The Delegation of Investment Decisions Does Not Make AMS Fund Atypical or Inadequate

Defendants cite *Fry v. UAL Corp.*, 136 F.R.D. 626 (N.D. Ill. 1991), and *In re Caremark International, Inc. Securities Litigation*, No. 94 C 4751, 1996 WL 351182, at *6 (N.D. Ill. June 24, 1996) for the proposition that "a certain minimal level of participation by the plaintiff in the relevant stock transaction must be demonstrated." *Id.* at 635. Relying solely on *Fry* and *Caremark*, Defendants argue that AMS Fund is not adequate or typical because it was AMS Fund's money manager who made the decision to purchase the Halliburton stock. However, neither *Fry* nor *Caremark* is followed in its own circuit, let alone other circuits, and should not be followed here. For example, the court in *In re Neopharm, Inc. Securities Litigation*, 225 F.R.D. 563 (N.D. Ill. 2004), stated that, "to the extent *Caremark* can be read to hold that those who rely on others to make investment decisions are unfit to serve as class representatives, this court would disagree." *Id.* at 567.[1] *Neopharm* went on to recognize that institutional investors such as AMS Fund, are exactly the type of class representative ***Congress intended*** to oversee securities

1. *See also, Retsky Family Ltd. Partnership v. Price Waterhouse LLP*, No. 97 C 7694, 1999 WL 543209, at *6 (N.D. Ill. July 23, 1999).

actions under the PSLRA. *Neopharm*, 225 F.R.D. at 567 (*quoting In re Cendant Corp. Litig.*, 264 F.3d 201, 243-44 (3d Cir. 2001)).[2] Defendants cite no other cases from any circuit that have followed *Fry* or *Caremark*, and this Court should not be the first.

2. AMS Fund's Designation of An Officer Other Than the CEO As Its Corporate Representative Does Not Render AMS Fund Inadequate.

Defendants argue that AMS Fund is not an adequate representative, because the absence of AMS Fund's CEO, Paula John, from the Rule 30(b)(6) deposition means that AMS Fund's counsel is actually directing the litigation. This leap of logic aside, Defendants cite no case for the proposition that a specific corporate officer must attend the Rule 30(b)(6) deposition in order to be adequate. The law is to the contrary.

Courts have, with virtual uniformity, found that the adequacy requirement is met even if an individual other than the top executive attends the Rule 30(b)(6) deposition, even if that individual has a more limited knowledge of the litigation. *See, e.g., In re WorldCom, Inc. Sec. Litig.*, 219 F.R.D. 267, 287 (S.D.N.Y. 2003). Patrick Byrne, who

2. Courts in other circuits have also declined to adopt *Fry* and *Caremark*, instead holding, like *Neopharm*, that institutional investors who delegate investment decisions not only meet the adequacy and typicality requirements, but are precisely the type of representatives envisioned by the PSLRA. *In re Vicuron Pharm., Inc. Sec. Litig.*, 233 F.R.D. 421, 429 (E.D. Pa. 2006).

serves as Vice President, CFO and Treasurer of AMS Fund (Deposition of Patrick Byrne, "Byrne Dep. 17:11-18:24, Pl. App. at 081-088), is a senior officer of Plaintiff and has sufficient knowledge of the litigation to serve as an adequate corporate representative for a Rule 30(b)(6) deposition, and Defendants have not challenged the adequacy of his deposition responses.

As discussed in Plaintiffs' Motion, AMS Fund's claims are typical of those of the class and it will adequately protect the interests of absent class members. *See Berger v. Compaq Computer Corp.*, 257 F.3d 475, 482 (5th Cir. 2001).[3] Accordingly, AMS Fund should be certified as a class representative.

B. Col. Murphey Is an Adequate Class Representative Whose Claims Are Typical of the Class.

Defendants' sole attack on the adequacy and typicality of Col. Murphey as a class representative is the timing

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3. As this Court has previously recognized, AMS Fund has played an active role in and controlled this litigation; has zealously represented the class when Defendants offered an inadequate settlement, objected to its approval, and worked with counsel to defeat it; and when former lead counsel attempted to exert control over the litigation to the exclusion of the AMS Fund, Lead Plaintiff successfully sought to have that counsel replaced. Byrne Dep. at 81:1-24, Pl. App. at 089. Finally, AMS Fund remains in frequent contact with current Lead Counsel, and is actively consulted on the strategy and prosecution of this matter. As this Court has previously found, AMS Fund satisfies all the elements set forth in the *Berger* decision.

and frequency of his trades of Halliburton stock. However, even if this Court accepts Defendants' characterization of Col. Murphey as a "day trader," this does not preclude a finding that he satisfies the typicality requirement.[4] Multiple courts have found that "day traders" satisfy Rule 23's typicality requirements because "where false information and misleading omissions pollute the market, all types of investors are injured." *In re Royal Ahold N.V. Securities and ERISA Litigation*, 219 F.R.D. 343, 354 (D. Md. 2003).[5]

That Col. Murphey profited from some of his trades of Halliburton stock does not make him atypical, as he also retained a large block of shares at the end of the class period that he previously purchased at near class period highs. That the value of those shares is greater today than at the purchase date is irrelevant since Col. Murphey's losses must be measured during the class period and not by the current price of Halliburton stock. *See Ong ex rel. Ong v. Sears, Roebuck & Co.*, 459 F. Supp. 2d 729, 751 (N.D. Ill. 2006). Col. Murphey purchased Halliburton stock ***after*** the Defendants made material misrepresentations

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4. Col. Murphey does not fit the description of a "day trader" provided by other courts. Col. Murphey did not make dozens of trades in a single day, or close out his positions at the end of each day, and he certainly was not trying to make a career out of buying and selling stock. *Taubenfeld v. Career Educ. Corp.*, No. 03 C 8884, 2004 WL 554810, at *3 (N.D. Ill. Mar. 19, 2004).

5. See also *Aviva Partners, LLC v. Navarre Corp.*, No. Civ. 05-1151 PAMRLE [MDL], 2005 WL 3782255, at *3 (D. Minn. Dec. 13, 2005) (proposed lead plaintiff was not atypical due to her status as a day trader).

that artificially inflated the stock price, and he suffered losses when the falsity of those statements was revealed. *See also* § II.A.1. below. Accordingly, his claims are typical of those of the class.

Col. Murphey is an adequate lead plaintiff under *Berger,* and his knowledge of and control over this litigation are exactly what one would expect from a non-lawyer class representative. *See Berger,* 257 F.3d at 482.[6] Accordingly, Col. Murphey should be certified as a class representative.

II. LEAD PLAINTIFF HAS SATISFIED THE REQUIREMENTS OF RULE 23(b)(3)

Certification under Rule 23(b)(3) requires a plaintiff to

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6. Col. Murphey testified that both before and after he purchased Halliburton stock, he was an active researcher of Halliburton stock who relied on publicly available information and company statements to guide his investments in the Company. Murphey Dep. at 55:2-56:10; 94:11-95:2, Pl. App. 080-081.01. He testified that he understands the reasons for this litigation (37:21-25, Pl. App. 077); has a general understanding of the allegations (44:8-20, 123:10-128:25, Pl. App. 079, 083, 084); that it was his decision to sue Halliburton (62:5-63:6, Pl. App. 081); and that he thoroughly reviews all the documents and filings that are part of this case (39:2-13, 117:3-122:6, Pl. App. 078, 082.01). Finally, Col. Murphey's testimony clearly shows that he will zealously represent the interests of the class. When asked hat being a class representative meant to him, he responded: "Well, I hope to be the eyes, ears, and mouth for those that aren't here, and be or take as much information as I can and interpret it or those that aren't here and do the best I can for them." (131:24-132:4, Pl. App. 084.01).

establish that issues common to the class will predominate over issues affecting any individual class member, and that a class action is superior to other available methods of adjudication. Defendants do not challenge that the class action mechanism is the superior vehicle for resolving the securities fraud claims alleged by Plaintiff in the Complaint. Defendants' sole challenge is that Plaintiff has failed to establish entitlement to rely on the fraud-on-the-market presumption, and therefore, that individual issues of reliance will predominate. Defendants are wrong.[7]

A. Defendants Overstate Plaintiffs' Class Certification Burden.

Pursuant to the Fifth Circuit's recent decision in *Oscar Private Equity Investments v. Allegiance*, 487 F.3d 261 (5th Cir. 2007), and as discussed in *Ryan v. Flowserve Corp.*, 245 F.R.D. 560 (N.D. Tex. 2007), in order to prevail upon the fraud-on-the-market presumption, a Plaintiff must now establish loss causation.[8] While *Allegiance*

7. Defendant David J. Lesar ("Lesar") cites no authority for his position that the class cannot be certified against him under these circumstances. Indeed, the authority is to the contrary. Courts in this circuit routinely certify securities fraud class actions against corporations and their officers collectively. *See e.g., Feder v. Elec. Data Syst. Corp.*, 429 F.3d 125 (5th Cir. 2005) (affirming certification of class action by securities purchaser against corporation and its former CEO and CFO). Moreover, as shown below, the relevant misrepresentations were either authorized by Lesar, or made directly by him.

8. Defendants' Response does not dispute that the stock of Halliburton trades on an efficient market. An efficient market is by definition one in which "it is assumed that all public information

raised the bar for class certification, it does not raise it to the extent that Defendants suggest.

1. The Impact of Defendants' Fraud Is Demonstrated Through Showing a Material Price Decline Following Partial Disclosure of the Fraud.

Defendants argue that to show loss causation Plaintiff must show a statistically significant price increase following a misrepresentation.[9] However, both *Greenberg v. Crossroad Systems, Inc.*, 364 F.3d 657 (5th Cir. 2004), and *Allegiance* are clear that to show price inflation

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concerning a company is known to the market and reflected in the market price of the Company's stock." *Greenberg Crossroads Systems, Inc.*, 364 F.3d 657, 661, n.6 (5th Cir. 2004) (*citing Blackie v. Barrack*, 524 F.2d 891, 907 (9th Cir. 1975)).

9. For instance, Defendants state:

> "AMS [Fund's] own expert, however, affirmatively disproved the most basic element of securities fraud – inflation of the stock price. For example, she could not identify any instances before April 2001 when Halliburton's stock price increase in connection with a Company announcement in a way significantly different from an index of similar companies."

Def.'s Resp. at 4. *See also*, Def.'s Resp. at 11, (plaintiff failed to prove loss causation because it did not show that Halliburton statements had a positive impact on Halliburton's stock price); Def.'s Resp. at 12, ("to show loss causation plaintiffs must show an increase in stock price immediately following the release of positive information.").

due to a misrepresentation, it is not necessary to show a statistically significant increase in the stock price in response to the false statement. Rather, *Greenberg*, relying on *Nathenson v. Zonagen, Inc.*, 267 F.3d 400, 414, (5th Cir. 2001), specifically noted that to show that the misrepresentations or omissions affected the stock price, a plaintiff can show **either** an increase in price following the allegedly false statement ***or*** "a corresponding decrease in price following the revelation of the misleading nature of these statements." *Id.* at 665. In *Allegiance,* the Fifth Circuit advanced the timing of the requirement to show loss causation from the summary judgment stage to the class certification stage, but reiterated that loss causation can be established by showing a decline in the stock price after disclosure of the truth. *Allegiance,* 487 F.3d at 266. Plaintiff has satisfied this burden. [10]

2. Defendants' Fraud Is Demonstrated by Relating the Alleged Fraud to the Corrective Disclosures.

Relying on *Greenberg* and *Flowserve,* Defendants argue that in order to establish loss causation on a price decline, a plaintiff must specifically "pinpoint" "particular statements" that a disclosure corrected. Def.'s Resp. at 14. However, these decisions are clear that the corrective disclosure need only be "related" to the alleged fraud:

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10. Attached at Plaintiff's Appendix at __ - __ are summaries of Defendants' misrepresentations, the partial disclosures and the resulting impact on Halliburton's stock price.

> To raise an inference through a decline in stock price that an earlier false, positive statement actually affected a stock's price, the plaintiffs must show that the false statement causing the increase was ***related*** to the statement causing the decrease.

Greenberg, 364 F.3d at 665; *see also, Flowserve*, 245 F.R.D. at 569. In other words, the decline must be related to "the tenets of plaintiffs' alleged fraud." *Flowserve*, 245 F.R.D. at 572. Plaintiff has satisfied this standard. Plaintiff's expert, Jane Nettesheim, testified that she read the Complaint and identified the alleged misrepresentations and omissions, and clearly "related" each of the corrective disclosure "to the tenets of Plaintiff's alleged fraud."

3. Plaintiffs' Evidence Complies With the Requirements of the Fifth Circuit.

Defendants take an overly restrictive view of the evidence that *Allegiance* permits a plaintiff to use to show loss causation. The *Allegiance* court noted that such proof could come in the form of an event study, and explicitly left open the possibility of other "options, subject to scrutiny in the first instance by opposing experts and the district courts." *Allegianc*, 487 F.3d at 265, n.22. This holding is consistent with *Greenberg*'s recognition that in some circumstances, even when both culpable and non-culpable disclosures are present, it is sufficiently evident that the stock was driven down by the culpable disclosure such that no empirical analysis is required at all. *Greenberg*,

364 F.3d at 668-69. In addition, *Allegiance* suggested that analysts' opinions may be sufficient evidence of the cause of a stock decline when their underlying data is also analyzed.[12] *Allegiance*, 487 F.3d at 271. Here, where there was both culpable and non-culpable news, Ms. Nettesheim did not just rely on analyst's conclusions to allocate the cause of a decline, but also reviewed their models and underlying data, and conducted the "post-mortem" that the *Allegiance* court suggested could be sufficient. Nettesheim Rep. ¶ 81.

4. Loss Causation Need Only Be Established By a Preponderance of the Evidence, Not Beyond a Reasonable Doubt.

Defendants make unsubstantiated factual assertions, with the apparent implication that Plaintiff must disprove these facts in order to obtain class certification.[13] That,

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12. Specifically, the *Greenberg* court held: "We do not insist upon event studies to establish loss causation, helpful though they may be. We hold only that the opinion of these analysts without reference to any post-mortem data they have reviewed or conducted is insufficient here." Defendants' expert similarly acknowledged that reviewing analyst reports "gives a perspective of what the analyst might have considered important or new or different" information. Allen Dep. at 41:4-9.

13. Indeed the bulk of Defendants' "background" section is comprised of merit-based factual assertions that are independent of Plaintiff's showing of loss causation, and thus inappropriate for resolution on a Motion for Class Certification. *Allegiance*, 487 F.3d at 267. For example, without a scintilla of evidence, Defendants assert

however, is not the burden imposed by *Greenberg* or *Allegiance*. Under *Allegiance*, the plaintiff need only prove loss causation by a preponderance of the evidence. *Allegiance*, 487 F.3d at 269. Thus, "the district court must consider all evidence, both for and against loss causation . . .," weigh the evidence, and determine whether it is more likely than not that the partial disclosure caused the decline in the company's stock price. *Id.* at 266. Under this standard, once a moving party meets its initial burden, the non-moving party must produce evidence to the contrary, and if the non-moving party fails to do so, the moving party must prevail. *Id.* at 265; *Flowserve*, 245 F.R.D. at 569 n.12; *see also, Celotex Corp. v. Catrett*, 477 U.S. 317, 322-24 (1986).

Significantly, while Defendants rely heavily on the *Flowserve* decision, in that case defendants produced affirmative evidence controverting loss causation. The *Flowserve* court found that Defendants' detailed "event studies and review of analyst commentary" to be "particularly persuasive." *Flowserve*, 245 F.R.D at 576. In contrast, Defendants here have failed to produce any such evidence. Instead, Defendants have simply attempted to discredit Plaintiff's evidence. As described by Ms. Allen,

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(at 6) that "the major fixed-price construction projects on which the Company accrued unapproved claims were not part of the Company's Engineering Construction Group. For that reason, disclosures related generally to engineering and construction, or E&C do not necessarily relate, as [AMS Fund] and Nettesheim suggest to the unapproved claims allegations." Defendants provide absolutely no factual support for this assertion, and it and other such factual assertions should be disregarded by the Court.

her job was not to assess whether there was loss causation in this case, but rather her "entire analysis is an analysis of [Ms. Nettesheim's] analysis." Allen Dep. at 79:5-19, Pl. App. 096. This "analysis of [an] analysis" is a far cry from the detailed event studies and review of analyst commentary that the *Flowserve* court found "particularly persuasive." Because Defendants failed to produce any controverting evidence, should Defendants' Motion to Strike fail, as it should, Plaintiff's evidence is sufficient to carry Plaintiff's burden to establish loss causation.[14]

5. Plaintiff Is Not Required to Plead Each Corrective Disclosure in its Complaint.

Defendants complain that three of the material corrective disclosures that Plaintiff has used to demonstrate that the earlier fraudulent misrepresentations affected the market are not identified in the Complaint. Def.'s Resp. at 123-24. However, no such requirement exists. In *Nathenson*, the Fifth Circuit explained that plaintiffs must specify ***the statements contended to be fraudulent***, the speaker, when and where the statements were made, and why they were fraudulent. *Nathenson*, 267 F.3d at 412. Defendants cite no authority that requires a complaint to list the corrective disclosures, and Plaintiff knows of none.

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14. Plaintiff hereby incorporates by reference Plaintiff's Opposition to Defendants' Motion to Strike the Expert Report of Jane Nettesheim and Plaintiff's Motion to Strike the Expert Report of Lucy Allen.

6. Defendants Are Not Required to Confess to the Fraud in Order for Their Misrepresentation to Be Actionable.

In their most far-reaching mischaracterizations of the law, Defendants argue that in order for a corrective disclosure to "reveal" the fraud, the defendants must "admit," or confess, to having committed fraud. Specifically, Defendants contend that Ms. Nettesheim's entire analysis is "invalid" because it is based on corrective disclosures in which "the company had not admitted to prior misrepresentations or to fraud." Def.'s Resp. at 24, n.58. In other words, according to Defendants, absent a confession, a securities class action could never be certified. Not surprisingly, Defendants cite no authority for this remarkable assertion of law.

B. Plaintiff Has Established Loss Causation as to the Fraud Alleged in the Complaint. Plaintiff submitted the Nettesheim Report in support of its Motion for Class Certification as evidence of loss causation. As set forth in that report, Ms. Nettesheim properly performed the loss causation analysis required by the Fifth Circuit.[15]

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15. Starting on page one, where Defendants assert that "Nettesheim repeatedly admits that she did not conduct the type of inquiry the Fifth Circuit requires" (for which they do not even attempt to reference Ms Nettesheim's testimony, citing only their Motion to Strike), Defendants repeatedly mischaracterize, and often blatantly misstate, Ms. Nettesheim's testimony. *See also*, Defendants' Res. at 11-13 (falsely claiming that Ms. Nettesheim linked the corrective disclosures to only two prior misrepresentations, and that she did not analyze the

Appendix D

1. Nettesheim's Methodology is Proper and Supports Her Loss Causation Conclusion.

Ms. Nettesheim did not, as Defendants imply, bypass the *Allegiance* analysis and find that every significant decline in the price of Halliburton stock was due to a "corrective disclosure." Def.'s Res. at 18-20. Indeed, she attributed several instances of significant decline to market or industry factors and did not consider them to be corrective disclosures.[16] Even when the news was company-specific, Ms. Nettesheim did not in all instances find that the decline was a "corrective disclosure" that related to the allegations of the complaint. For example, on October 27, 1999, Ms. Nettesheim identified a material decline of 3.5% in Halliburton's stock price. Nettesheim Rep. ¶ 45. Ms. Nettesheim concluded that this decline was due to lowered estimates by an analyst, and was not related to the allegations in the Complaint. *Id.* Thus, she did not consider it to be a corrective disclosure.[17] While the plaintiff's expert in *Flowserve* may have attempted to relate such broad company-specific news to the "tenets"

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portion of stock decline that was attributable to the correction of Halliburton's prior disclosures); *id.* at 14-15 (same).

16. *See, e.g.*, Nettesheim Rep. ¶ 44 (finding no Halliburton news on June 18, 1999, Oct. 15, 1999, Feb. 25, 2000, May 19, 2000, or Nov. 6, 2001).

17. Similarly, Nettesheim did not find loss causation on October 23, 2000, when the company announced that one of its divisions was the subject of a grand jury investigation, and the Company's stock price fell a statistically significant 3.5% on the following day. Nettesheim Rep. ¶ 45.

of the complaint, Ms. Nettesheim did not do so here.

For days with multiple pieces of news, Ms. Nettesheim undertook an analysis to separate the negative culpable news from non-culpable news that might have affected the stock price. Ms. Nettesheim controlled for price movements attributable to news affecting both the market as a whole and the industry in which Halliburton operated.[18] Thus, the *Flowserve* court's criticism that the plaintiff there did not filter out the effects of market and industry news is not applicable here. *Flowserve*, 245 F.R.D. at 577.

Then, where appropriate, Ms. Nettesheim controlled for other company-specific negative news on days where there was both culpable and non-culpable news. Specifically, Ms. Nettesheim reviewed available analyst models and reports, as well as Halliburton's own statements, parsed out the negative price movement, and opined on which pieces of news had a significant impact on the price movement.[19] Defendants' position that Ms. Nettesheim was required to do something more is contrary to the *Allegiance* decision, which held that analysts' opinions,

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18. For example, the "lower than expected . . . spending by major oil companies," which Defendants designate as other negative news on October 24, 2000, was industry news, and the effect of that news on Halliburton stock is factored out of Halliburton price movements through Nettesheim's industry's index. Nettesheim Rep. ¶ 90.

19. Contrary to Defendants' implication, Plaintiff is not required to allocate precise percentages of cause for class certification. *Allegiance*, 487 F.3d at 270.

combined with reference to a "post mortem" analysis of their data and information, can be sufficient to allocate the cause of a price decline. *Allegiance,* 487 F.3d at 271.

In short, consistent with the requirements of the Fifth Circuit, Ms. Nettesheim related each of the corrective disclosures to Plaintiff's allegations of fraudulent misstatements; performed a regression analysis to eliminate movements due to market or industry news; and, where appropriate, analyzed the news and data and determined whether the culpable news had a significant effect on the price of Halliburton stock – none of which was done by the *Flowserve* Plaintiffs. Accordingly, as discussed below, for each of the class period misrepresentations and omissions alleged in the Complaint, Plaintiff has shown loss causation under *Greenberg, Allegiance,* and *Flowserve.*

2. Halliburton's Misrepresentations Regarding the Dresser Acquisition and Large Fixed-Price Contracts Affected the Market.

Plaintiff has demonstrated loss causation as to Halliburton's fraudulent misrepresentations regarding the Dresser acquisition and large fixed-price contracts. Set forth below are each of the partial corrective disclosures, and the fraudulent misrepresentations to which they relate.

Appendix D

a) The Market's Reaction to Halliburton's Partial Corrective Disclosure on October 4, 1999 Demonstrates Loss Causation.

On July 22, 1999, Halliburton conducted a conference call with analysts during which Cheney said, among other things, that Halliburton's "aggressive cost reduction program and restructuring activities" allowed Halliburton "to remain profitable," and that Halliburton's management remained "optimistic." FCAC ¶ 109. On the same day, Halliburton also promised analysts that "sequential quarterly results should continue to improve with significant improvement in 2000." FCAC ¶ 110.

As expected and intended by the Company, an analyst who participated in the July 22 call reported back to the market.[20] In discussing the progress of the Dresser integration, Dain Rauscher Wessels stated that the Dresser integration was "on or ahead of schedule" and that management expected the annualized cost savings from the acquisition to be approximately $500 million.[21] FCAC ¶¶ 110. This estimate doubled the $250 million annual benefit the Company had previously represented would result from the acquisition. *Id.* These statements

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20. As Defendants' expert Lucy Allen acknowledges, conference calls with analysts was the way the company communicated with the market. Allen Dep., at 36: l-19; 39:l-4, Pl. App. 093, 094.

21. Halliburton completed the $7 billion acquisition of Dresser on September 29, 1998.

were reaffirmed on September 13, 1999, in a presentation that Lesar made to the Dain Rauscher Wessels Energy Conference. FCAC ¶ 115.

During neither the July conference call nor the September presentation, did Halliburton mention the significant problems with the Dresser integration, the poor performance of the Dresser joint ventures and subsidiaries, or the significant cost overruns and unapproved claims, all of which were undermining Halliburton's earnings. Nor did the Company disclose that it had changed its method of accounting for unapproved claims, allowing the company to book unapproved claims as revenue, which would not have been allowed under the prior method, thus allowing the company to "remain profitable" and support Cheney's "optimistic" outlook. In addition, because the new accounting would allow future bookings of unapproved (and uncollectible) claims, the Company could forecast "significant improvement in 2000."

Defendants argue that the July and September statements, and indeed every class period statement that relates to Dresser, were merely confirmatory. Def.'s Resp. at 5. To the contrary, a comparison of these statements to pre-class period statements reveals that these statements conveyed new information about the progress of the Dresser integration and did not simply confirm pre-class period statements. On March 1, 1999 (highlighted by Defendants), Halliburton stated that it should attain a $500 million savings by the end of the year through a *combination* of savings from the Dresser integration *and*

from the "downturn." FCAC ¶ 93. In contrast, in July and September, Halliburton stated that the Dresser merger *alone* would create a $500 million annual cost savings. FCAC ¶¶ 110, 115.[22] Furthermore, the July statement provided assurance about the progress of the integration of Dresser, which was not discussed in March. *Id.*

After the market closed on October 4, 1999, Halliburton unexpectedly warned that its 1999 third-quarter earnings would be less than the previous estimates. Nettesheim Rep. ¶¶ 84-87. Halliburton attributed the reduction, in large part, to the lower than expected profits of the Dresser joint ventures and several of the other business units of the Dresser Equipment Group.[23] This news revealed the falsity of Halliburton's previously glowing statements about the substantial benefit Halliburton would receive from the Dresser acquisition, and the progress of the integration of Dresser.[24]

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22. In addition, in March, Halliburton tentatively stated that the savings "should" result, but in July and September stated with assurance that management "expected" and "projected" the savings to result. FCAC ¶¶ 93, 110, 115.

23. That the Complaint, as discussed above, the fact that these corrective disclosures were not identified in the Complaint is irrelevant.

24. Defendants' contention (at 23) that the October 4, 1999 news does not relate to Dresser is inexplicable. While the Lau report may not use the term "Dresser merger," it notes reduced earnings due to performance of "Dresser Equipment." Moreover, Ms. Nettesheim does not limit her analysis only to the Lau report, a fact ignored by Defendants, but also analyzes a Merrill Lynch report. The Merrill Lynch report attributes the reduced earnings

The market reacted swiftly to the news, resulting in a company-specific stock decline of 9%.[25] *Id.* ¶ 84. Based on the data and information provided by Halliburton, the fact that Halliburton attributed the earnings decline to poor performance by the Dresser subsidiaries, and the lack of other significant news, Ms. Nettesheim concluded:

> a significant portion of the stock price decline on October 5, 1999, was caused by information that partially corrected and related to prior misstatements and omissions regarding the success and benefits of the Dresser merger, and the Company's related operational problems, as alleged in the Complaint.

Nettesheim Rep. ¶ 87.[26] Accordingly, Plaintiff has

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forecasts in part to "less powerful synergies from the *Dresser merger* than expected." (Nettesheim Rep. ¶ 89) (emphasis added). Defendants also take a restrictive view of Plaintiffs' Complaint to argue that Plaintiffs did not make any allegations relating to the Dresser Equipment Group. However, the Complaint clearly alleges that Defendants were experiencing serious, undisclosed problems with the integration of Dresser, and misrepresented the success and benefits of the Dresser merger. This would clearly include issues relating to the integration and success of Dresser Equipment Group, its subsidiaries and the joint ventures that Dresser owned.

25. Defendants do not dispute that there was a statistically significant decline in the price of Halliburton stock.

26. The fact that Halliburton simultaneously announced that it was selling Dresser's struggling joint ventures does not obviate the market's negative reaction to the news about Dresser,

established loss causation as to the July and September 1999 statements.

b) The Market's Reaction to Halliburton's Partial Corrective Disclosure on January 5, 2000 Demonstrates Loss Causation.

On January 5, 2000, based on conversations with the Company, Brown Brothers Harriman & Co and Merrill Lynch cut their estimates of Halliburton's annual earnings for years 2000 and 2001. Nettesheim Rep. ¶¶ 88-92. This reduction was based on "less powerful synergies from the Dresser merger" than expected, as well as "reduced expectations for offshore construction results." *Id.* ¶ 89. Halliburton's resulting company-specific stock decline was 4.38%, again a statistically significant decline. *Id.* ¶ 88.

While the news on January 5, 2000 included both culpable and non-culpable statements, Ms. Nettesheim properly distinguished between them under the standard set forth in *Allegiance*, 487 F.3d at 271. Ms. Nettesheim controlled for the industry news through her industry index, thus eliminating from the decline that portion of the news related to the decline in oil field spending. Nettesheim Rep. ¶¶ 88-92. Ms. Nettesheim then related a portion of the remainder of the news from that day to the allegations of Plaintiff's Complaint. Looking behind

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or undercut the loss causation analysis. Nettesheim Rep. ¶¶ 84-87. If anything, the news of the sale of the joint ventures, which Defendants characterize (at 20 and 23) as "positive," simply demonstrates that the market reaction to the news about Dresser would otherwise have been *worse*.

the analysts' conclusions to the underlying data, Ms. Nettesheim concluded that "a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger." *Id.* ¶ 92. Accordingly, the January 2000 stock decline further supports Plaintiff's loss causation analysis as to the July and September misrepresentations.

c) The Market's Reaction to Halliburton's Partial Corrective Disclosure on October 24 and December 21, 2000 Demonstrates Loss Causation.

Halliburton's 1999 Annual Report, released in April 2000, included a letter from Cheney informing investors that "[t]he merger with Dresser Industries is now behind us. The potential rewards to our shareholders are vast." FCAC ¶ 122. In fact, as alleged in the complaint, at the time this statement was made, the integration of Dresser was fraught with problems, which were far from "behind" the company. FCAC ¶ 128. The statements about Dresser in the 1999 Annual Report conveyed new information to the market; they did not merely confirm prior statements, as claimed by Defendants. Def.'s Rep. at 5. Halliburton had not previously stated that the Dresser integration was "behind us," or that the shareholders would be "vastly" rewarded. These were key representations, particularly in light of the partial disclosure of Dresser problems that had surprised the market just months earlier.

Appendix D

The 1999 Annual Report also contained misrepresentations about Halliburton's large fixed-price contracts and accounting practices. Halliburton stated that the "group's engineering excellence and construction experience make it possible to take on end-to-end projects of any size in the world . . ." FCAC ¶ 123. Regarding how Halliburton would account for the earnings on such projects (or lack thereof), the Report stated:

> All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers for extra work or changes in the scope of work are included in revenue when collection is deemed probable.

FCAC ¶ 124. In fact, Halliburton was, and had been over the past six quarters, recording millions of dollars of claims as revenue. FCAC ¶ 128. While the notes to the financial statements disclosed that unbilled receivables included $89 million in unapproved claims for 1998 and $98 million for 1999, the Company represented that those amounts were "probable" of collection, when in fact Defendants knew that they were not probable of collection, the Company was experiencing increasing difficulties in collecting on unapproved claims, and they were not capable of accurately estimating what amount could ultimately be collected. FCAC ¶¶ 127-128.

On April 26, 2000, Halliburton compounded its deception by releasing its first quarter 2000 results, which were falsely inflated by Halliburton's improper accounting

practices. FCAC ¶¶ 129, 140. On a conference call on the same day, Cheney reported on Halliburton's profits on existing construction projects without disclosing the numerous projects that were suffering from severe cost overruns, and that significant portions of that revenue were from unapproved claims that were not "probable" of collection. FCAC ¶¶ 129, 140.

By October 2000, Halliburton could no longer hide the problems with the Dresser acquisition and integration; the cost overruns on the large end-to-end projects that the Company previously stated its "engineering excellence and construction experience" enabled them to manage; or the increasing difficulties in collecting on the unapproved claims those cost overruns gave rise to. On October 24, 2000, on a conference call to discuss Halliburton's third quarter 2000 earnings, Lesar shocked analysts by revealing that due to serious operational problems, management inefficiencies and excessive costs in its construction operations, the Company planned to undertake a massive restructuring. FCAC ¶¶ 144, 146.

As expected and intended, analysts reported the restructuring to the market, and the market responded. FCAC ¶¶ 145-146. On October 25, 2000, Halliburton's company-specific stock decline was 6.6%, a statistically significant decline. Nettesheim Rep. ¶ 93. After undertaking a comprehensive analysis of the analyst reports, including the underlying data and the models, Nettesheim concluded that at least 50% to 80%, a significant portion, of the stock price decline on October 25, 2000, was related to Plaintiff's allegations regarding

"the Company's booking of unapproved claims on fixed-price contracts and lack of benefits from the Dresser mergers that are alleged by Lead Plaintiff." Nettesheim Rep. ¶ 105.

On December 21, 2000, Halliburton formally unveiled the restructuring plan, and again surprised the market by disclosing that it planned to take a charge of $120 million in the fourth quarter. Nettesheim Rep. ¶ 106; FCAC ¶¶ 150-152. The press release stated that $95 million of the $120 million charge (or 79%) related to cost overruns on "project specific matters." Nettesheim Rep. ¶ 111; Def.'s App. at 114-116. Halliburton explained that it had "incurred significant additional costs" on several large fixed-fee projects, and that management did not believe that all its claims for all the additional costs would be recovered. Def.'s App. at 114-116. Halliburton further explained that its claims on seven other projects had not been resolved. FCAC ¶ 150; Nettesheim Rep. ¶ 106; Def.'s App. at 114-116. The press release alerted the market that the Company was experiencing massive cost overruns and losses, and that the Company had been booking revenue on those contracts when collection was far from "probable."

On December 22, 2000, Halliburton's resulting company-specific stock decline was 3.9 %, a statistically significant decline. Nettesheim Rep. ¶ 109. There was no other news on that date, and Ms. Nettesheim related the disclosures, and the resulting price decline, to Plaintiff's allegations regarding the Company's booking unapproved

claims on fixed-price contracts and lack of benefits from the Dresser merger." Nettesheim Rep. ¶ 112.[27]

3. Halliburton's Misrepresentations Regarding Asbestos Liabilities Affected the Market.

Plaintiff has demonstrated loss causation as to Halliburton's fraudulent misrepresentatives regarding its asbestos liability. Set forth below are each of the partial corrective disclosures, and the fraudulent misrepresentations to which they relate.

a) The Market's Reaction to Halliburton's Partial Corrective Disclosure on June 28, 2001 Demonstrates Loss Causation.

On November 15, 1999, Halliburton released its third quarter 1999 10-Q. In discussing asbestos litigation, the Company represented that it continued "to believe that

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27. Ms. Nettesheim's conclusion regarding the October and December partial corrective disclosures is well-founded. Ms. Nettesheim noted that analysts were stunned (Nettesheim Rep. ¶ 107), because the news of the restructuring directly conflicted with Halliburton's prior class period assurances, that "[t]he merger with Dresser Industries is now behind us," and "[t]he potential rewards to our shareholders are vast," (FCAC ¶ 122), as well as Halliburton's class period assurances regarding its large fixed-price contracts, such as its false statements that "[a]ll known or anticipated losses on contracts are provided for currently," that revenue for extra work or scope changes is only booked "when collection is deemed probable." FCAC ¶ 124.

provisions recorded are adequate to cover the *estimated loss from asbestosis litigation*." FCAC ¶ 113.[28] At that time, Halliburton had reserves of a mere $13 million. FCAC ¶ 119. Similar representations about the adequacy of its merger reserves were made over the following several quarters as the amount of the reserves were slowly increased. FCAC ¶¶ 115, 119, 120.

On January 31, 2001, Mark Kellstrom of Jefferies reported that Halliburton's "management reiterated that ***the prospective asbestos liabilities had not changed*** materially from the third quarter and *should have minimal adverse impact on the company going forward.*" FCAC ¶ 157. On April 25, 2001, Halliburton reported an outstanding quarter, reporting $0.25 per share. At that time, Halliburton increased its reserve for asbestos liability to a mere $29 million. FCAC ¶ 160. On May 11, 2001, Halliburton increased its asbestos reserves just an additional $1 million to $30 million. FCAC ¶ 166. Each quarter, Halliburton assured the market that its asbestos reserves were "adequate" and would not adversely impact the Company.

As alleged in the Complaint, these statements were false and misleading because Halliburton had not adequately reserved for its potential asbestos liabilities for

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28. Defendants' position that the Company's representations regarding asbestos were limited to "pending claims" is belied by the language of misrepresentations and the allegations of the Complaint. The Complaint alleges that among other things, Halliburton knowingly misrepresented its aggregate asbestos exposures, not just its exposure for pending claims.

future as well as current claims, and should have known that the ultimate resolution of its asbestos claims would materially adversely impact Halliburton's balance sheet. FCAC ¶ 168. Moreover, as a result of Halliburton's failure to properly reserve for its asbestos liabilities, Halliburton violated SFAS No. 5, and overstated its earnings for the entire class period. FCAC ¶¶ 237-238.

On June 28, 2001, in a conference call with analysts, Lesar and Morris stated that the "worse case scenario" would be exposure, after insurance, of $50 to $60 million – not the $30 million that they had reported to be "adequate" the preceding month. This was the market's first inkling that Halliburton had a serious and deteriorating asbestos situation. Nettesheim Rep. ¶ 115, FCAC ¶ 170. As expected and intended, analysts reported on their discussions with Lesar and Morris. This partial disclosure caused a statistically significantly decline of 4.6% in the price of Halliburton stock. Nettesheim Rep. ¶ 114-118. Moreover, Ms. Nettesheim could find no other news that would have resulted in the price decline. *Id.* Accordingly, Plaintiff has established loss causation as to the January, April and May misrepresentations.

Defendants do not dispute that there was a statistically significant decline in the price of Halliburton stock and that there was no other news that could have caused that decline, key elements of loss causation. Instead, citing only its own self-serving press release, Defendants assert the purely merits-based argument that they did not know of the potential asbestos exposure prior to making the announcement. Def.'s Resp. at 29-30. Such assertions go

directly to the merits of the Plaintiff's claims, are not fundamental to resolution of the loss causation issue, and are inappropriate for resolution on class certification. *Allegiance*, 487 F.3d at 266-67.[29]

b) The Market's Reaction to Halliburton's Partial Corrective Disclosure on August 9, 2001 Demonstrates Loss Causation.

On July 25, 2001, Lesar and Morris held a conference call during which they boasted "another strong quarter" and stated that, based on their analysis of the Harbison claims, Halliburton thought it would be "prudent to accrue $60 million" to cover "potential exposure" for asbestos litigation. FCAC ¶ 175. Based on this call, as expected and intended by Halliburton, the analysts conveyed to the market that "the Company" believed that it had its asbestos situation "under control and that the financial impact should not be material to the financial health

29. The *Allegiance* court held that a merit-based inquiry was appropriate only in so far as it was necessary to resolve the loss causation issue. Defendants' unsupported factual assertions stray from the loss causation issue and go straight to the heart of Plaintiff's case. If such issues were to be resolved on class certification, substantial discovery would have been required. However, *Allegiance* specifically noted that "[l]ittle discovery from defendants is demanded by the fraud-on-the-market regimen." Rather, *Allegiance* directs plaintiffs and defendants to draw their "proof . . . from public data and public filings, as in this case." Defendants' repeated reliance on unsupported factual information which could only be tested through substantial discovery, flies in the face of this *Allegiance* directive. *Allegiance*, 487 F.3d at 267.

of the company." FCAC ¶¶ 176-77. That analyst also reported that "Mr. Lesar indicated that Halliburton maintains a significant amount of insurance that should cover the majority of any ***future claims or increases in the settlement rates.***" FCAC ¶ 177.

On August 9, 2001, Halliburton filed its second quarter 2001 10-Q in which it increased reserves for asbestos liability to $124 million – over twice the $60 million that, only two weeks prior, the Company had assured investors would be adequate. FCAC ¶ 178, Nettesheim Rep. ¶ 119. The market then became alerted to the fact that the Company's asbestos situation was not in fact "under control," and the price of Halliburton stock reacted immediately with a one day statistically significant decline of 5.2%. As explained by Ms. Nettesheim, this statement was "related to Halliburton's misstatements and omissions-specifically those concerning the significance of Halliburton's exposure to asbestos liabilities." There was no other news that could explain a company-specific stock price decline that day. Nettesheim Rep. ¶¶ 120-121. Accordingly, Plaintiff has established loss causation as to the January, April, May and July misrepresentations.

Defendants do not proffer any evidence to rebut Plaintiff's showing of loss causation. Defendants do not dispute that there was a statistically significant decline in the price of Halliburton stock or cite any other news that could have caused a company specific decline of 5.2%. Defendants only response to Plaintiff's showing of loss causation is the inappropriate merits based argument that "Halliburton's increase of its asbestos reserves . . . reflects

a change [] *sic* Halliburton's estimation of its liability on pending claims, and is no evidence of a corrective disclosure." Def.'s Resp. at 30-31.

c) The Market's Reaction to Halliburton's Partial Corrective Disclosure on October 30, 2001 Demonstrates Loss Causation.

On August 22, 2001, based on extensive discussions with Lesar and Foshee, Kieburtz of Salomon Smith Barney issued a comprehensive report on Halliburton, which, as expected and intended by Halliburton, conveyed to the market that "based upon available information, asbestos exposure concerns appear to be overblown." FCAC ¶ 180. Similarly, quoting Lesar, *Platt's* stated on September 4, 2001 that Halliburton had a "substantial amount of [insurance] coverage," and that the asbestos claims were a "manageable problem." FCAC ¶ 181.

On September 12, 2001, four days after the *Platt's* article, Halliburton learned that a jury had returned a $130 million verdict against it, yet Halliburton continued to conceal its potential for asbestos exposure and the effect that exposure would (and did) have on the Company. FCAC ¶ 182. On October 4, 2001, Foshee, on behalf of the Company, spoke at a Deutsche Banc Alex Brown seminar, and although "the presentation focused on better delineating and clarifying Halliburton's asbestos liabilities," Foshee did not disclose the $130 million verdict entered against it the prior month. On October 5, 2007, as expected and intended, an analyst who attended the

seminar reported that the market is "significantly over-discounting" the risks of asbestos liabilities. FCAC ¶ 183.

On October 23, 2001, Halliburton announced its third quarter 2001 results, boasting that they were "outstanding" and "record" breaking. At a conference call that same day, Foshee, on behalf of the Company stated that there was not "anything new to report on the Harbison-Walker." Lesar confirmed that ***"there have been no adverse developments at all with respect to the Harbison-Walker situation . . ."*** Neither Foshee nor Lesar made any mention of the $130 million verdict. FCAC ¶¶ 184-185.

Relying on the information provided by the Company, the analysts conveyed to the market that Halliburton's asbestos exposure was more of "a nuisance than a real risk to shareholder value" (Morgan Stanley); that "Management provided further assurances that current reserves are adequate to cover ***projected asbestos liabilities***" (Jefferies & Co); and that "the bottom line seems to be that Halliburton has minimal exposure" (CIBC World Markets). FCAC ¶¶ 186-188. Had Halliburton disclosed the $130 million verdict, Halliburton's asbestos exposure would not have been characterized as "a nuisance" or "minimal."

After the market closed on October 30, 2001, Halliburton announced that on October 26, 2001, a second Texas jury had returned a verdict of $150 million, of which Halliburton was liable for $21.3 million. Nettesheim Rep. ¶ 122. In response to this disclosure, on October 31,

2001, Halliburton's stock price had a company-specific, statistically significant decline of 4.9%, and on November 1, 2001, experienced a company-specific, statistically significant decline of 3.7%.[30] As explained by Ms. Nettesheim, this statement was "related to Halliburton's misstatements and omissions-specifically those concerning the significance of Halliburton's exposure to asbestos liabilities." There was no other news that could explain a company-specific stock price decline that day. Nettesheim Rep. ¶¶ 122, 124. Accordingly, Plaintiff has established loss causation as to the January, April, May, July, August, September and October misrepresentations.

Again, Defendants do not dispute that the declines of October 31 and November 1 were company specific, statistically significant declines that were not caused by any other news an important element of loss causation. Nor do Defendants provide evidence to rebut Plaintiff's showing of loss causation. Rather, they simply argue that Ms. Nettesheim "could not explain when or why Halliburton should have disclosed this information earlier." However, when Defendants' knew, or should have known, and should have reserved for potential large verdicts, goes to the merits of Plaintiff's claims, is not essential to the loss causation analysis, and thus, is not appropriate for resolution on a Motion for Class Certification. *Allegiance*, 487 F.3d at 267. Moreover, Plaintiff alleged that Halliburton concealed its true

30. As stated by Defendants' expert, a two-day event window, and even a five day event window may be appropriate absent an intervening material event. Allen Dep. at 141:17-23, 143:22-144:4, Pl. App. 106-107.

asbestos liability, and accordingly the likelihood of such adverse verdicts in these or similar cases.

d) The Market's Reaction to Halliburton's Partial Corrective Disclosure on December 7, 2001 Demonstrate Loss Causation.

On November 8, 2001, Halliburton filed it third quarter 2001 10-Q, which again stated that asbestos claims would be resolved without material adverse effect on Halliburton's financial position or the results of operations. FCAC ¶ 189. Thereafter, based on a conversation with the Company, Kieburtz of Salomon Smith Barney reported that the recent disclosures were the result a change in policy, not a deterioration of the asbestos situation, and concluded that "the market has fully discounted a very conservative (i.e., large) estimation of asbestos liability in the stock price." FCAC ¶¶ 188-189.

On December 4, 2001, Defendants' filed a Form 8-K which, in note 5, mentioned the recent Texas verdicts. The price of Halliburton stock began to decline from a close on December 3, 2001 of $22.06 to a close of $20.85 on December 6, 2001. Then, on December 7, 2001, the Company issued a release detailing all of the recent asbestos verdicts and making clear to the market that the $125 million in reserves, previously represented as "adequate," "prudent," and "conservative," were grossly inadequate and that the Company's asbestos exposure, previously represented to be "minimal," "a nuisance," and "manageable" was anything but. The market reacted

quickly and decidedly to this disclosure. The price of Halliburton stock collapsed from the December 6 close of $20.85 to as low as $10.94, and closed on December 7 at $12.00, a company-specific decline of 42.7%.[31]

The December price declines were "directly related" to the disclosures regarding [Halliburton's] asbestos exposure," and there was no other news that could explain the company-specific stock price decline that day. Nettesheim Rep. ¶ 132. Accordingly, as required by Fifth Circuit precedent, Plaintiff has established loss causation as to the January, April, May, July, August, September and October misrepresentations. Defendants' only response to Plaintiff's showing of loss causation is that Ms. Nettesheim "could not explain when or why Halliburton should have disclosed this information earlier," and that in any event the disclosure of the jury verdicts "corrects nothing." These issues, mischaracterize Plaintiff's claims, relate to the merits of Plaintiff's claims and not the showing of loss causation, and are not appropriate for resolution on a Motion for Class Certification.

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31. Even absent any other evidence, the company specific loss of 42% experienced on December 7, 2001, when there was only the one piece of news regarding asbestos exposure, sufficiently shows loss causation such that "no evidence or analysis" is required. *Greenberg*, 364 F.3d at 669, (disclosure that revenue would be 66% below estimates sufficient to establish loss causation notwithstanding simultaneous release of non-culpable news without any "evidence or analysis").

Appendix D

CONCLUSION

Plaintiff has established loss causation as to the misrepresentations and omissions alleged in the Complaint under Fifth Circuit law. Defendants have presented no evidence that contradicts that showing, and indeed, as to the allegations relating to asbestos liabilities, Defendants have in essence conceded loss causation, relying solely on the merit-based position that the Company did not know its statements were false. Because Plaintiffs have established loss causation and that the proposed class representatives are typical and will adequately represent the class, Plaintiff's Motion should in all respects be granted.

Respectfully submitted,

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Appendix D

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Appendix D

SUPPLEMENTAL APPENDIX

EXHIBIT TO LEAD PLAINTIFF'S REPLY IN SUPPORT OF ITS MOTION FOR CLASS CERTIFICATION IN THE UNITED STATES COURT FOR THE NORTHERN DISTRICT OF TEXAS SA581

APPENDIX E — REBUTTAL REPORT OF JANE D. NETTESHEIM, UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, DATED DECEMBER 20, 2007

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

Master Docket No. 3:02-CV-1152-M

CLASS ACTION

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al.,
On Behalf of Itself and All Others Similarly Situated,

Lead Plaintiff,

vs.

HALLIBURTON COMPANY, et al.,

Defendants.

This Document Relates To:
ALL ACTIONS.

REBUTTAL REPORT OF JANE D. NETTESHEIM

December 20, 2007

Appendix E

Table of Contents
[TABLE INTENTIONALLY OMITTED]

I, JANE D. NETTESHEIM, declare:

I. Background

1. I am a financial economist and vice president of Stanford Consulting Group, Inc. ("SCG"), which provides research, consulting, and expert services in financial economics and related areas to clients, including government agencies, corporations, and law firms. I have a B.A. in biology from the University of Colorado and an M.B.A. from the University of Hawaii, and I completed the coursework in the Ph.D. program in finance at the London Business School, University of London. My curriculum vitae and the list of the expert testimony I have provided by deposition or at trial are attached as Exhibit 1. The fees charged for this project are the standard hourly rates of employees of SCG. My current hourly rate is $475.

2. Previously in this matter, I submitted the Report of Jane D. Nettesheim, dated September 17, 2007 (the "Nettesheim Report"). In the Nettesheim Report I opined that the market for the common stock of Halliburton Company, Inc. ("Halliburton" or the "Company")[1] was efficient during the period June 3, 1999 through December 7, 2001, inclusive (the "Class Period"). Also in the Nettesheim Report, I conducted

1. Herein, "Halliburton stock" refers to the common stock of Halliburton.

an analysis of materiality and loss causation pertaining to the alleged misrepresentations and omissions in this matter, and concluded that the misrepresentations and omissions caused Halliburton's stock price to be inflated during the Class Period as evidenced by the partial corrective disclosures during the Class Period. Those corrective disclosures revealed information about Halliburton's financial condition, which Lead Plaintiff alleges in the Fourth Consolidated Amended Complaint (the "Complaint"), was previously misrepresented and/or omitted by Defendants, and which I determined caused the price of Halliburton's stock to decline.[2]

3. I now have been asked by Counsel to respond to Defendants' Joint Motion to Strike the Report of Jane Nettesheim, dated November 16, 2007 ("Defendants' Motion") and the Expert Report of Lucy P. Allen, dated November 16, 2007 (the "Allen Report").[3]

4. The opinions offered in this Rebuttal Report are subject to refinement or revision based on continuing analysis of the documents and materials listed below, as well as new or additional information which may be provided to or obtained by me in the course of this

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2. Because discovery is just beginning in this action, the analysis in this Rebuttal Report and in the Nettesheim Report is preliminary and based on the public information available to me at this time. I assume that the allegations outlined in the Complaint are true.

3. I have also included in this Rebuttal Report certain related opinions on the deposition testimony of Lucy Allen, December 3, 2007 (the "Allen Deposition").

matter. I expect to review additional information and documents, including information and documents that may become available through discovery and the reports and depositions of other expert witnesses.

II. Bases for Opinions

5. My opinions expressed in this Rebuttal Report are based upon my review and analysis of documents and information relevant to this matter and also my professional knowledge and experience. Exhibit 2 lists the materials I have obtained from Counsel or other identified sources to date. The materials I have relied upon in forming my opinions in this Rebuttal Report are identified in this report and its Exhibits. Such documents and information are typically relied upon by financial experts in securities class actions or by financial economists in their research. I reserve the right to modify or supplement my opinions expressed herein in the event that further information becomes available to me.

III. Summary of Opinions

6. The criticisms contained in Defendants' Motion and the Allen Report primarily pertain to my event study analysis and my analysis of loss causation in this matter. In this Rebuttal Report, I address each of the issues raised by Defendants and Ms. Allen. Following is a summary of my conclusions:

- Contrary to Defendants' assertions, the event study methodology used in the Nettesheim Report is appropriate and fully consistent with the standards of my profession:

- It is the same method I have employed in other securities cases, it has been accepted by the courts, and it is recognized in relevant literature.

- My industry index captures the effect of industry trends on Halliburton. Defendants fail to demonstrate that the industry index used in the Nettesheim Report is not appropriate (nor do they suggest a meaningful alternative).

- The fact that approximately 5% of the days during the Class Period are statistically significant is not relevant to determining loss causation—whether there are more than or less than 5% of days with statistically significant stock price changes does not contribute to or detract from the statistical significance of those days.

- Ms. Allen erroneously claims I purported to distinguish between news and non-news days. Ms. Allen's assertion that Halliburton's stock price reaction on "news days" is no different that its reaction of "non-news days" is unfounded because, among other reasons, her classification of news days and non-news days is flawed and her statements regarding fundamental concepts of statistical significance are erroneous.

- Ms. Allen misleadingly claims that my market index analysis is not replicable when the alleged discrepancies are not only immaterial, but, in fact, *de minimis*, and are the result, not of an error in my analysis, but rather a change by a

third party data provider of the price of some stocks other than Halliburton during the Class Period.

- The control period used in the Nettesheim Report is more "robust" than that suggested by Ms. Allen, and is better suited for identifying dates of significant stock price movements during the Class Period.

- Loss causation has been established for each of the allegations in this matter.
  - Ms. Allen mischaracterizes my methodology.
  - The Nettesheim Report addresses each of the three categories of allegations identified by Defendants.
  - The misrepresentations and omissions have been adequately tied to the curative disclosures.
  - Each of the news items proffered by Defendants as being non-culpable on dates of curative disclosures is misleading, immaterial to company-specific movement in Halliburton's stock, and/or unrepresentative of the overall market consensus.

- Contrary to Defendants' contentions, loss causation is demonstrated by the decline in Halliburton's stock price upon the partial corrective disclosures during the Class Period. The absence of statistically significant stock price increases upon each date of

a misrepresentation or omission is not unexpected and does not undermine my conclusion that Halliburton's stock price was inflated during the Class Period.

- Ms. Allen's analysis of loss causation for Halliburton peer McDermott International, Inc. ("McDermott") is misleading, erroneous and irrelevant. Without any reasonable assumptions regarding allegations concerning McDermott, she has no basis for her conclusions regarding loss causation.

IV. Opinions

A. The Event Study Methodology Used in the Nettesheim Report is Supported and Reliable

7. In the Nettesheim Report, I conducted an event study analysis and demonstrated that the market for Halliburton stock was efficient during the Class Period.[4] Certain aspects of the event study were also useful for the purpose of establishing loss causation in this matter.[5] Defendants and/or Ms. Allen[6] argue that my event study

4. Nettesheim Report, Section VI.E. (entitled "*Cammer/Unger/Bell* Factor 5: Empirical Facts Showing a Cause-and-Effect Relationship between Unexpected Corporate Events or Financial Releases and an Immediate Response in the Stock Price") and Appendix (entitled "Regression Analysis and Event Study").

5. Nettesheim Report, ¶79.

6. Herein, arguments presented by Ms. Allen may be referred to generally as Defendants' arguments.

methodology "suffers" from the following "methodological flaws:"

- Defendants contend that my methodology is "fundamentally backwards" and "does not adhere to the standards of academic literature;"

- Defendants contend that my industry peer group is "improperly constructed;"

- Defendants contend that my test for market efficiency "does not use any statistical, consistent, or recognizable method properly to identify either what [I] categorize as company news or the release dates of that 'news';"[7]

- Ms. Allen contends that the number of statistically significant days is "no more than the number expected" thus, "yields no evidence that the stock price declines during the alleged class period are caused by anything other than the normal daily variation in stock price;"[8]

- Ms. Allen contends that "news days" and "non-news days" have the same distribution of excess returns;[9]

- Ms. Allen claims she was unable to replicate my market index;[10]

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7. Defendants' Motion, p. 4.

8. Allen Report, p. 8–9.

9. Allen Report, p. 9.

10. Allen Report, p. 11.

- Ms. Allen contends my findings are not "robust" based on her analysis of an "alternative" control period.[11]

In what follows, I describe why Defendants' and Ms. Allen's arguments are flawed, misleading and irrelevant; and that my event study analysis is a reliable basis for my conclusion that the market for Halliburton stock was efficient and for establishing loss causation.

i. The Event Study Methodology Used in the Nettesheim Report Has Been Accepted by the Courts

8. Defendants contend that my event study methodology is "fundamentally backwards" and "does not adhere to the standards of academic literature." They allege that I "first" identify dates during the Class Period with statistically significant stock price movements and "only then" did I look for disclosures on those specific days.[12] This assessment of my analysis is wrong. Defendants have misleadingly characterized the *results* of the event study analysis presented in the Nettesheim Report as the sum total of the *process* used to arrive at the results and conclusions in the Nettesheim Report. Moreover, Defendants fail to acknowledge that the event study analysis serves two purposes in the Nettesheim Report: (1) to analyze whether the market for Halliburton stock was efficient during the Class Period, and (2) as a

11. Allen Report, p. 13.

12. Defendants' Motion, p. 4; Allen Report, pp. 5–6, 10.

tool for assessing loss causation—the results of the event study analysis are appropriately applied to each of these objectives.

The Event Study Process:

9. The event study process I employed began with a review of the Complaint to obtain an understanding of the allegations in the litigation and to identify dates with alleged partial disclosures.[13] I reviewed news articles and analyst reports related to the allegations

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13. Nettesheim Deposition, pp. 16:14–17:2:

> Q. When you were retained in this case, how did you begin your work on the loss causation part of the engage meant?
>
> A. Well, at the very beginning, I read the complaint.
>
> Q. What did you do after that?
>
> A. Then I asked to have information and data gathered, for example, stock prices, data on market indices or a market index, data on competitor companies. I also had news reports, news headlines, analyst reports and those titles. I asked for those things to be gathered.

I noted in footnote 3 of the Nettesheim Report that I assumed that the allegations in the Complaint were true; thus it is clear that my analysis is based on the allegations in the Complaint and not on a narrow review of news and information published only on statistically significant residual return dates as Defendants suggest.

in the Complaint, especially around the alleged partial corrective disclosures. I also reviewed Halliburton's stock price to see, in a general sense, how it reacted on dates of alleged partial corrective disclosures. After this initial analysis of the allegations, news and information related to the allegations and a general review of Halliburton's stock price during the Class Period, I proceeded to do additional analyses relevant to the determination of the efficiency of the market for Halliburton stock and loss causation.[14]

The Event Study—Demonstrating Market Efficiency:

10. Market efficiency can properly be evaluated by means of event study analysis which analyzes all dates during the Class Period. Discussion of specific dates in the Nettesheim Report generally is limited to dates with statistically significant stock price changes (after netting out market and industry effects) because in litigation, dates on which material new information was released generally are the dates of interest. My analysis

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14. Nettesheim Deposition, p. 18:8–19:

> Q. So how did you begin trying to ascertain the loss causation aspects of this case?
>
> A. After collecting the data, then we did statistical analyses which entailed forming an industry index, and after several steps, went through to form the industry index and did a regression analysis to determine the relationship between Halliburton and the stock returns and returns on a market index, industry index.

demonstrates that "[i]n general, large significant changes in Halliburton's stock price are associated with material, new and unexpected information about the Company."[15] This result supports my conclusion that the market for Halliburton stock was efficient, a conclusion Defendants do not challenge.[16]

11. Defendants wrongly assert that my methodology "does not remotely resemble those event studies endorsed by courts ...."[17] While the cases cited by Defendants[18]

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15. Nettesheim Report, ¶42.

16. I note that my analysis of the efficiency of the market for Halliburton stock included ten "factors" other than *Cammer* Factor 5 (Empirical Facts Showing a Cause-and-Effect Relationship between Unexpected Corporate Events or Financial Releases and an Immediate Response in the Stock Price), none of which, to my knowledge, Defendants have contested. Namely, (1) *Cammer/Unger/Bell* Factor 1: Weekly Trading Volume; (2) *Cammer/Unger/Bell* Factor 2: The Number of Securities Analysts Following and Reporting on Halliburton; (3) *Cammer/Unger/Bell* Factor 3: The Number of Market Makers in Halliburton's Stock; (4) *Cammer/Unger/Bell* Factor 4: Whether Halliburton was Eligible to File SEC Form S-3; (5) *Unger/Bell* Factor 6: Market Capitalization; (6) *Unger/Bell* Factor 7: Bid/Ask Spread; (7) *Unger/Bell* Factor 8: Public Float; (8) Factor 9: Listing Exchange; (9) Factor 10: Institutional Ownership and Trading; and (10) Factor 11: Dissemination of News. (Nettesheim Report, Section VI.)

17. Defendants' Motion, p. 2.

18. *Id.*, p. 2:

> *See, e.g., In re Apollo Group Inc. Sec. Litig.*, 509 F. Supp. 2d 837, 844 (D. Ariz. 2007) ("The tool most often used by experts to isolate the economic losses caused by the alleged fraud is the 'event study.'"); *In*

indicate that an event study is required, the courts provide no further prescription as to how the event study should be done. The event study methodology I have employed in this matter is the same methodology I have employed in other securities litigation,[19] and it has been accepted by the courts.[20] This methodology also has been described in the relevant literature, for example:

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re Oracle Sec. Litig., 829 F. Supp. 1176, 1181 (N.D. Cal. 1993) ("Use of an event study or similar analysis is necessary more accurately to [*sic*] isolate the influences of information specific to [the company] which defendants allegedly have distorted.").

19. I used the same event study methodology, in which I provided a report during the class certification phase of the litigation and the class was certified, in the *In Re Homestore, Inc. Securities Litigation*, United States District Court for the Central District of California, Western Division, Master File No. 01-CV-11115 RSWL CWx, and the *In Re Vivendi Universal, S.A. Securities Litigation*, United States District Court, Southern District of New York, 02 Civ. 5571 (RJH) (HBP).

20. For example, the same event study methodology was used by another expert in the *In Re WorldCom, Inc. Securities Litigation*, United States District Court, Southern District of New York, 02 Civ. 3288 (DLC). (The class was certified and the case proceeded to trial; the final settlement was reached during trial and therefore there was no verdict). Also, in the *In Re Enron Corporation Securities Litigation*, United States District Court, Southern District of Texas, Houston Division, Civil Action No. H-0103624 (Consolidated). (The class was certified by the district court but later reversed on appeal because in that particular case, "secondary actors (such as the investment banks involved in this case [which were the remaining defendants]) who act in concert with issuers of publicly-traded securities in schemes to defraud the investing public cannot be held liable as primary violators of Section 10(b) or Rule 10b-5.")

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> An event study is a statistical regression analysis that examines the effect of an event on a dependent variable, such as a corporation's stock price. This approach assumes that the price and value of the security move together except during days when disclosures of company-specific information influence the price of the stock. The analyst then looks at the days when the stock moves differently than anticipated solely based upon market and industry factors—so-called days of "abnormal returns." The analyst then determines whether those abnormal returns are due to fraud or non-fraud related factors.[21]

The same article continues:

> The event study first would be used to eliminate all market and industry-related factors and determine those dates of "abnormal returns" when the stock price moved differently than would be expected. The analyst would then look at the disclosures on those days of abnormal returns and ascertain whether there was any information that reached the market that related to some aspect of the fraud. To the extent that no information related to the fraud had any impact on the share price through an

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21. Eisenhofer, Jay W., Geoffrey C. Jarvis and James R. Banko, "Securities Fraud, Stock Price Valuation, and Loss Causation: Toward A Corporate Finance-Based Theory of Loss Causation," 59, *Business Lawyer*, pp. 1425–1426, August 2004.

> abnormal return, there would be insufficient linkage between the fraud and the share price and loss causation would not be shown. On the other hand, the existence of an abnormal return in conjunction with the release of information to the market that arguably is fraud-related should, in conjunction with a showing that the market price was inflated, be sufficient to let a trier of fact determine whether in fact the loss was caused by the fraud.[22]

Another article states:

> When a dispute or litigation requires an analysis of security price changes in response to a news disclosure, it is often appropriate to distinguish two related questions: (1) Does the price history establish that the disclosure caused any price reaction at all?, and (2) if so, what was the size and direction of the net price reaction to the disclosure alone, after accounting for the effects of other factors operating at the same time? This chapter describes a statistical approach, often referred as an *event study*, for analyzing these questions. (Emphasis in original.)
>
> In its most common form, an event study involves a statistical regression analysis of a time series of security returns, with the objective of identifying and measuring firm-

22. *Ibid*, p. 1445.

> specific effects of identifiable information releases (events).[23]

That article continues:

> The event study originated in academic research, so the conventional design features and assumptions of event studies fit academic research questions. They may not, however, fit litigation-based questions. ... [T]he analyst must develop approaches that fit the legal setting.
>
> Event studies may serve both to establish whether any effect occurred and to quantify the effect, if any, including the margin of error of the measured effect. In the former purpose, the question of *statistical significance* of firm-specific returns (abnormal returns or prediction errors) becomes fundamental. For the latter purpose, the magnitude of such returns becomes the basic input to the measurement calculation, and one can use statistical significance as an indicator of the confidence interval around the point estimate of the effect.[24]

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23. Marais, M. Laurentius and Katherine Schipper, "Event Study Methods: Detecting and Measuring the Security Price Effects of Disclosures and Interventions," in *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2004 Cumulative Supplement, edited by Roman L. Weil, Michael J. Wagner and Peter B. Frank, p. 17A-2.

24. *Ibid.* p. 17A-18–19.

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The Event Study—Demonstrating Loss Causation:

12. Defendants contend that my methodology is "fundamentally backwards" because I purportedly first identified dates during the Class Period with statistically significant stock price movements and "only then did [I] look for any disclosures on those specific days."[25] Contrary to Defendants' assertions, I did not limit my analysis of events to those dates with statistically significant stock price changes. Although I examined dates on which alleged disclosures were made,[26] I did not limit my analysis to only those dates because I was asked to examine loss causation, *i.e.*, analyze Halliburton's stock price decline and determine whether any of the declines related to partial corrective disclosures of the misrepresentations and omissions alleged in the Complaint.[27] In fact, my discussion of loss causation in the Nettesheim Report includes events that occurred on dates without statistically significant stock price movements (such as the events of December 21, 2000 and December 6, 2001).[28]

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25. Defendants' Motion, p. 4.

26. Nettesheim Report, ¶81.

27. Nettesheim Report, ¶3; Nettesheim Deposition, pp. 43:25–44:5:

> A. In the loss causation section, I was focusing on the combination of the determinants of the decline in the price and those declines that related to the allegations in the complaint.

28. Nettesheim Report, ¶127.

13. While a statistically significant stock price movement is not a prerequisite for an event to be considered material and/or relevant to loss causation,[29] in litigation, dates with large stock price changes generally are the dates that are of interest. A commonly used method for determining on which dates there were large stock price changes due to company-specific news (rather than market and/or industry news) is the regression and analysis that identifies dates with statistically significant price changes. This is the method I used.

14. Defendants erroneously claim that I did "not perform the first required step [in an event study]—identifying events or dates on which allegedly corrective

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29. Nettesheim Report, ¶73. Also:

> The Court [in *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S.438 (1976)] held that a fact is material if there is a "'substantial likelihood' that a reasonable investor would consider it important in his or her decision making." ... The Court explained that, to fulfill the materiality requirement, "there must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." ... In other words, "materiality depends on the significance the reasonable investor would place on the withheld or misrepresented information."
>
> *No. 84 Employer-Teamster Joint Council Pension Trust Fund v. America West Holding Corp.*, 320 F.3d 920, 934 (9th Cir. 2003).

disclosures by Halliburton reached the market."[30] On the contrary, I reviewed the Complaint, information related to the alleged partial corrective disclosures, and looked at Halliburton stock prices for the very purpose of identifying such dates. I discussed certain dates that were alleged in the Complaint as partial corrective disclosures, specifically: October 24–25, 2000; December 21–22, 2000; June 28–29, 2001; and December 7, 2001.

15. I also identified other dates of possible partial corrective disclosures because I examined the news and information that was available to me about Halliburton during the Class Period. The purpose of the loss causation analysis is to determine whether the alleged fraud caused the loss. Thus, the discussion in the Nettesheim Report (although not my analysis) was logically limited to dates with large downward stock price movements that were associated with information and news about Halliburton that were partial corrective disclosures of the alleged fraud.

16. Defendants refer to the "Texas sharpshooter fallacy" and misleadingly imply that I attribute all of the significant declines in the stock price to the fraud. This statement is untrue as I attributed only 11 dates out of the 22 dates with statistically significant stock price declines to partial corrective disclosures.

17. Thus for all of the reasons described above, my event study methodology and results are relevant and reliable.

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30. Defendants' Motion, p. 4.

ii. The Industry Index Used in the Nettesheim Report Sufficiently Represents Halliburton's Peer Group

18. Defendants claim that the industry index in the Nettesheim Report was not properly constructed; they cite to cases where a properly constructed industry index is described.[31] Defendants cite to *Carpe v. Aquila*

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31. Defendants' Motion, pp. 5–8. I note that despite her criticisms of my industry index, in her deposition testimony, Ms. Allen suggests that a valid analysis of loss causation may be conducted without any industry index or market index:

> Q. If you going [*sic*] to do what you are refer to as a real event study or statistical analysis, would you want to control both for movement in the market generally and for movement in the industry?
>
> A. I think it depends, so oftentimes if you're controlling for movement in the industry, the industry itself is affected by the market so you really are effectively controlling for movement in both the market and the industry, I don't think it's a big difference, I think it's fine to separately put in a market index and I also thinks [*sic*] it's appropriate to not put in a market index and it's okay to use sort of a peer or industry index. There are always exceptions and you want to be mindful of in fact what is going on and look to see if there was something else important at the time. So you can't sort of blindly follow a set of paths and not look at other information that's out there.
>
> Q. Would you always want to have an industry index if you were going to do what you refer to as a real event study or a statistical analysis?

for the proposition that an event study should compare "the stock's price to the market as a whole or a selected index of similar businesses," which is exactly what I did. I compared Halliburton's stock price returns to a

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> A. I think can you do a statistical analysis without an industry index.
>
> Q. Can you distinguish between a statistical analysis and what you refer to as an event study?
>
> A. I think an event study is a kind of statistical analysis.
>
> Q. So you can do an event study appropriately without having a market index is that what you're saying?
>
> A. I think can you do one without a market index and I think can you do one without an industry index. (Allen Deposition, pp. 152:11–153:13.)

A NERA Economic Consulting (the firm at which Ms. Allen works) paper by Tabak, David. I, and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," in Litigation Services Handbook, The Role of the Financial Expert, Third Edition, 2001, edited by Roman L. Weil, Michael J. Wagner and Peter B. Frank, footnote 19 states:

> While some crude event studies are performed without adjusting for market effects, the literature nearly uniformly argues that a market adjustment is desirable. Moreover, there is relevant case law, such as *In Re Executive Telecard Ltd. Securities Litigation*, which states that in measuring stock price declines, one must eliminate "that portion of the price decline that is the result of forces unrelated to the wrong."

market index comprised of all stocks' returns on the New York Stock Exchange, American Stock Exchange, and the NASDAQ, which is the most broad-based index for the U.S. stock market. I also compared Halliburton stock price returns to an industry index of more than 50 companies that were characterized by market participants as in similar businesses as Halliburton.

19. Defendants also cite to *In re Executive Telecard, Ltd. Securities Litigation* for the proposition that the industry index should be "a more precisely correlated portfolio of securities."[32] Again, this is exactly what I did. Defendants misleadingly and erroneously claim that my industry index did not "represent and 'correlate' to the industry in which [Halliburton] actually operates."[33] They are either purposely disingenuous or did not read the Nettesheim Report where I explained in detail how the industry index I used was created, using the type of methodology Defendants cite as appropriate. Defendants may disagree with some of the companies that were or were not included in the industry index, but regardless, the industry index represents the industry in which Halliburton operated and the residual returns on the industry index were correlated with Halliburton stock price returns.

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32. Defendants' Motion, p. 6.

33. Defendants' Motion, p. 7.

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The industry index represents the industry in which Halliburton operated:

20. I considered a company for the industry index if the company was considered by market participants[34] to be comparable to Halliburton. I used eight industry indices that included Halliburton and that were created by data providers (*e.g.*, Standard & Poor's, FactSet, Bloomberg); if a company was included in at least four of the eight indices, I considered it for inclusion in the industry index. Companies identified in analyst reports during the Class Period as comparables or competitors of Halliburton were considered for the industry index as well.[35] Ultimately, I considered 72 companies for the industry index and included 52 companies.[36]

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34. Market participants refer to contemporaneous analysts and data providers during the Class Period. Data providers include entities that create industry indices from various companies that are in the same or similar industries and include entities such as Bloomberg, FactSet, and Standard & Poor's. These data providers are regularly used by economists, academics, investors and many others.

35. Nettesheim Report, Appendix ¶5.

36. Nettesheim Report, Exhibit 16. Of the 72 companies considered, I excluded companies if their residual stock price returns were not statistically significantly correlated to Halliburton's stock price return, if the company was subject to securities litigation during the control period or the Class Period, or if there was no stock price data available during the control period or the Class Period.

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21. Bloomberg has a service that identifies all of the indices in which a particular company is included. Halliburton is included in industry indices related to oil and gas or energy services and equipment. There is no index described as engineering and construction that includes Halliburton. The relevant industry indices I used to obtain companies that were comparable to Halliburton were oil and gas and energy services and equipment industry indices.[37] Thus, my search for comparable companies for the industry index was appropriate and comprehensive.

The residual returns on the industry index[38] *were correlated with Halliburton stock price returns:*

22. Of the 72 companies considered for the industry index, I used only those companies whose stock price returns had some explanatory power with respect to Halliburton's stock price returns (*i.e.*, each company's residual stock price returns were correlated with Halliburton's stock price returns). If a particular company's stock price returns had no explanatory power with respect to Halliburton's stock price returns, then there is no reason to include it in the industry index or in the final regression analysis—including such variables will not assist in identifying company-specific stock price movements.[39]

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37. Nettesheim Report, Appendix ¶5, Appendix footnote 6.

38. Because a market index also was used in the regression analysis, the industry returns net of market effects, *i.e.*, industry index residual returns, were used.

39. I have examined the impact of including the non-significant companies in the industry index by adding to my industry index

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23. Defendants allege that I "pre-selected companies" for my industry index.[40] This statement is misleading and erroneous. First, Defendants claim that my industry index was not correlated with Halliburton (see paragraph 19 above), then they assert that including competitor and comparable companies in an industry index based on whether they have a statistically significant correlation with Halliburton is "cherry-picking." In examining loss causation, the regression analysis is used to determine the portion of Halliburton stock price returns that are due to the market and industry returns with the remaining portion of the return due to company-specific events. The methodology I followed does that and is appropriate and correct in this case.[41]

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the five non-significant companies, and the one company (Seitel) that was excluded from my index because it was subject to a class action securities litigation that alleged fraud during part of the Class Period. The r^2 is 77% in the Nettesheim Report, compared to 77% using the new index that includes these six companies. The standard error is 0.01725 in the Nettesheim Report, compared to 0.01739 using the new index. The beta coefficient on the industry residual is 1.03 in the Nettesheim Report, compared to 1.06 using the new index. Each of the curative disclosures that have statistically significant stock price declines in the Nettesheim Report, also have statistically significant stock price declines using the new index; and there is no material difference in the company-specific returns on each of these dates of curative disclosures.

40. Allen Report, p. 13.

41. *See, e.g.*, Tabak, David I., and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," in Litigation Services Handbook, The Role of the Financial Expert, Third Edition, 2001, edited by Roman L. Weil, Michael J. Wagner and Peter B. Frank, p. 19.8, which indicates that statistical significance is one of the important considerations when constructing an index:

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24. Defendants and Ms. Allen contend that my industry index "is not constructed properly" because it "does not adequately account for the negative E&C trend experienced industry-wide or the effects of the asbestos litigation."[42] Ms. Allen ignores the fact that my industry index does include, in addition to McDermott (which Ms. Allen concedes is an E&C company), several companies

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The second consideration in selecting an index relates to how the company's stock price movements relate to those of the index during the estimation window. When the estimation regression is run, one of the statistics generated is the adjusted R-squared. This statistic measures the strength of the relationship between the variable being explained (the company's stock price movements) and the combined set of independent variables (the market and industry indices) that are being used to do the explaining. The higher this statistic, the stronger the relationship. Another relevant statistic is the t-statistic associated with each independent variable; this statistic measures the strength of the individual independent variable's correlation with the company's stock price. The farther the t-statistic is from zero, the stronger the relationship. While one should not use either the adjusted R-squared or t-statistics as a blind measure for the comparison of the explanatory power of different indices, an expert should be prepared to provide these statistics. Moreover, if the expert chooses one index with less statistical explanatory power than a second index, he or she should be prepared to defend this choice.

42. Defendants' Motion, p. 8.

that have E&C business segments.[43] Ms. Allen's definition of the E&C industry is based on only three companies identified in one analyst report issued over one year prior to the start of the Class Period.[44] Unlike Ms. Allen, I did

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43. For example, according to Reuters (www.reuters.com/finance/stocks, "Full Company Description"), the following companies, which are included in the industry index in the Nettesheim Report, have engineering and construction business segments: *Helix Energy Solutions Group* "provides services in support of offshore oil and natural gas infrastructure projects involving the construction and maintenance of pipelines, production platforms, risers and subsea production systems in the Gulf of Mexico;" *Global Industries Ltd.* "is an offshore construction company offering a range of marine construction and support services in the United States Gulf of Mexico, Latin America ...;" *Nabors Industries Ltd.* "offers a range of ancillary well-site services, including engineering, transportation, construction, maintenance, well logging, directional drilling, rig instrumentation, data collection and other support services in selected domestic and international markets;" *Cameron International Corp.*, "the V&M segment also provides aftermarket services, including original equipment manufacturer (OEM) parts, repair, field service, asset management and remanufactured product to customers. V&M's primary customers include oil and gas majors, independent producers, engineering and construction companies, pipeline operators, drilling contractors and major chemical, petrochemical and refining companies;" and *TransCoastal Marine Services* "is a marine construction company with worldwide operations onshore, in the transition zone and offshore ...."

44. These three companies are McDermott International Inc. (which was included in my industry index), Foster Wheeler Ltd. ("Foster Wheeler") and Jacobs Engineering Group Inc. ("Jacobs Engineering").

not limit my search for comparable companies to a single analyst's report published more than one year prior to the start of the Class Period.

25. One of the E&C companies suggested by Ms. Allen was included in the industry index used in the Nettesheim Report. Inclusion of the other two purported E&C industry peers suggested by Defendants in my industry index does not materially alter my results. The residual stock price returns of those two purported E&C peers were not statistically significantly correlated with Halliburton stock price returns when tested during the control period, *i.e.*, the two purported peer companies do not have explanatory power with respect to Halliburton stock price returns.[45]

26. Defendants also claim that I ignored the downturn in the "entire" E&C industry from June 3, 1999 to December 20, 2000, by not including two of the three companies in my industry index. Actually, one of the two companies not included in the industry index (Jacobs Engineering) experienced an upturn.[46] That one of the three companies experienced an upturn disproves

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45. The control period in the Nettesheim Report and used here is October 1, 1998 through September 30, 1999. As in the Nettesheim Report, each company's stock price returns, net of market returns, which are the residual returns, were used in the test of whether the company's stock price returns explained Halliburton stock price returns.

46. That one of the three companies experienced an upturn disproves Defendants' statement that "the entire E&C industry experienced negative trends." Defendants' Motion, p. 8.

Defendants' statement that "the entire E&C industry experienced negative trends."[47] The third company, McDermott, was included in my industry index and did experience a downtown from June 3, 1999 to December 20, 2000. Thus, I did incorporate a representative company that experienced a downturn in the industry index. The inclusion of two other companies, one of which was up and one of which was down, would have no material impact on the overall industry index used in the Nettesheim Report. Even with those two companies, the regression analysis shows that *all* the partial corrective disclosure dates for the failed Dresser merger and the long-term, fixed price contract are still statistically significant.[48]

27. Ms. Allen further argues that over the period June 3, 1999 through December 22, 2000 (the beginning

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47. Defendants' Motion, p. 8.

48. I have examined the impact of including the two E&C companies proffered by Ms. Allen in my analysis. The r^2 is 77% in the Nettesheim Report, compared to 73% including these two companies. The standard error is 0.01725 in the Nettesheim Report, compared to 0.01859 including these two companies. The beta coefficient on the industry residual is 1.03 in the Nettesheim Report, compared to 1.19 including these two companies. Each of the four curative disclosures pertaining to allegations related to the integration of Dresser or the accounting for unapproved claims that have statistically significant stock price declines in the Nettesheim Report, also have statistically significant stock price declines when adding these two companies to the analysis. The residual returns on these dates of curative disclosures, October 5, 1999 January 5, 2000, October 25, 2000 and December 22, 2000, are 9.0%, 4.3%, 6.6% and 3.9% in the Nettesheim Report, compared to 9.0%, 4.2%, 6.2% and 4.2%, respectively.

of the Class Period through the latest curative disclosure related to the Dresser integration), an equal-weighted index comprised of three purported E&C companies, dropped 39.53%, while Halliburton dropped 13.25%. She concludes that this is evidence that "the decline in the E&C business over this time period was not a Halliburton-specific phenomenon."[49] Even assuming these stocks were fully representative of the E&C industry, it is inappropriate for Ms. Allen to critique my analysis of loss causation by simply comparing the stock price of these companies to Halliburton's stock price over this entire period. My analysis of loss causation in regards to the allegations pertaining to the Dresser integration and accounting for unapproved claims focuses on four specific dates of curative disclosures. The stock price of the three E&C companies proffered by Ms. Allen did not drop or dropped significantly less than Halliburton's stock price on those corrective disclosure dates (see chart below). The only company of the three to experience a net decline over these four corrective disclosure dates is McDermott, which is included in my industry index:[50]

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49. Allen Report, p. 19.

50. I also examined the impact of using the three E&C companies proffered by Ms. Allen as the industry index. In the Nettesheim Report, Halliburton stock's residual returns on the four corrective disclosure dates (October 5, 1999, January 5, October 25, and December 12, 2000) are: -9.0%, -4.3%, -6.6% and -3.9%, respectively. Keeping all else equal, Halliburton stock's residual returns using the three E&C companies proffered by Ms. Allen as the industry index are: -13.2%, -4.4%, -8.6% and -6.3%, respectively. In other words, using the E&C companies proffered by Ms. Allen as the industry index results in greater company-specific declines on the dates of curative disclosures than the index used in the Nettesheim Report.

Date of Corrective Disclosure Regarding Dresser Integration and/or Unapproved Claims	Actual Stock Price Return on Date of Corrective Disclosures			
	Foster Wheeler	Jacobs Engineering	McDermott	Halliburton
October 5, 1999	-0.53%	2.45%	-4.27%	-13.21%
January 5, 2000	-0.69%	0.59%	3.57%	-4.38%
October 25, 2000	-2.68%	-3.02%	-8.07%	-10.96%
December 12, 2000	7.69%	2.18%	4.00%	-2.70%
Net 4 Day Change	3.53%	2.12%	-5.21%	-28.11%

Appendix E

It is inappropriate to include "asbestos" companies in the industry index:

28. Defendants fail to identify any company that was not included in the Nettesheim industry index that would better "reflect the asbestos litigation." The allegations in the Complaint regarding asbestos concern company-specific problems for Halliburton. The allegations are that Halliburton should have determined and disclosed a reasonable estimate for its asbestos liability, including from conduct dating back many years. In this case, Plaintiffs do not allege that the issue of asbestos litigation and liability was an industry-wide problem that was misrepresented to Plaintiffs; rather Plaintiffs allege that Halliburton misrepresented its own liability.

iii. Stock Prices Move in Response to Information

29. As the Nettesheim Report clearly states, stock prices move in response to information:

> A security price movement of any size can be material. Statistical significance measures the relative size of the security's price adjustment to the new information, *i.e.*, statistical significance only indicates that the price change was among the largest price changes over a period of time. Information that does not cause a very large price adjustment, *i.e.*, one that is not statistically significant, also can be material. Price changes are caused by information;

> the market is not a collection of whimsical expressions of an irrational force. Price changes may appear random because new information arrives randomly, *i.e.*, we cannot predict the future. Nevertheless, those price changes have causes.[51]

30. Defendants claim that the analysis in the Nettesheim Report "assumes that 5% of the time, a 'statistically significant' movement will occur for no identifiable reason purely as a function of the normal fluctuation in stock prices."[52] This is an egregious mischaracterization of the Nettesheim Report and is fundamentally incorrect. As Mitchell and Netter point out,

> Information allegedly used in fraudulent activity that is important enough to affect security prices when publicly released provides compelling evidence that a reasonable investor would consider the information important in making an investment decision.[53]

31. Statistical significance of residual (company-specific) returns helps to identify those instances when the change in the stock price is relatively large, indicating

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51. Nettesheim Report, ¶73.

52. Defendants' Motion p. 5.

53. Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," *Business Lawyer*, 49, February 1994, p. 549.

that the new information materially changed the mix of information available to the public, and the stock movement was not caused by market and industry effects.

32. In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. The significance level of a test is the probability of making a decision to reject the null hypothesis when the null hypothesis is actually true (*i.e.*, to make a decision that the residual return was not due to chance when it actually was due to chance). In this case, we posit that on each day of the Class Period, Halliburton's stock price return will be equal to its predicted stock price return.[54] If Halliburton's stock price return is different from its predicted return,[55] the test determines whether this difference is large enough that it is unlikely to have occurred by chance. The level of significance used in the Nettesheim Report was 5% (which corresponds to a 95% confidence level). If the probability is less than 5% that the difference is due to chance, then the null hypothesis is rejected, *i.e.*, we are more than 95% confident that the difference (the residual return) is not due to chance. This means that the relatively large residual return cannot be explained by market and industry effects and is due to other events, *i.e.*, company-specific events.

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54. The predicted return is based on the regression analysis specified in the control period, *i.e.*, Halliburton's predicted stock price return given the market return and industry index return.

55. This difference between the actual stock price return and the predicted stock price return goes by a variety of names: "company-specific return," "excess return," "residual return," "abnormal return."

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33. Ms. Allen contends that the number of statistically significant days is "no more than the number expected" and thus, "yields no evidence that the stock price declines during the alleged class period are caused by anything other than the normal daily variation in stock price."[56] This statement is misleading and erroneous.

34. Ms. Allen's assertion that one would expect 5% of the days during the Class Period to be significant would only be true if the control period is the same as the Class Period.[57] The control period used in my event study analysis is a one-year period from October 1, 1998 through September 30, 1999. The fact that approximately 5% of the days during the Class Period are statistically significant is not relevant—whether there are more than or less than 5% of days with statistically significant stock

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56. Allen Report, p. 8–9.

57. In this case, most of the Class Period lies outside the control period. If the relationship between Halliburton stock price returns and market and industry residual returns changed substantially between the Class and control period or the volatility of Halliburton stock changed substantially between those periods, then the number of statistically significant stock price returns would not necessarily be 5% of the number of days in the Class Period. As discussed below, the alternative control period proffered by Ms. Allen occurs after Halliburton had restructured its E&C businesses, and after Halliburton had made a number of significant partial disclosures regarding its asbestos liability. These factors may have altered the relationship between Halliburton stock price returns and market and industry residual returns, and/or increased the volatility of Halliburton stock—thus explaining why she finds only two significant dates during the Class Period.

price changes does not contribute to or detract from the statistical significance of those days.

35. Moreover, these are company-specific returns—not merely "normal daily variation in stock price." Statistical significance in an event study indicates that the change in the stock price was almost certainly not due to market and/or industry effects only and that it is more probable than not that the residual return was caused by company-specific information.

36. This method for identifying statistically significant stock price movements has been the predominant method used by myself and other financial economists during the many years which I have been involved in securities litigation.

iv. Analysis of Halliburton's Stock Price Reaction to News Events is "Consistent" and Based on Statistical Techniques

37. In the Nettesheim Report, I provide a comprehensive discussion of the news released around days of statistically significant stock price movements and I provide my conclusion as to what news caused the stock price movement for each of those dates.[58] However, Defendants misleadingly state "there is no method to [my] classification of news days and non-news day."[59] It is not possible to obtain at this time all of the news that was available to market participants during the Class Period;

58. Nettesheim Report, ¶¶43–45.

59. Defendants' Motion, p. 9.

for example, I know that I have do not have First Call reports or all of the analyst reports that were published during the Class Period. Furthermore, there very likely are other types of relevant information about Halliburton that was of interest and available to market participants during the Class Period that we will never know existed. Thus, to segregate days during the Class Period into "news days" and "non-news days" is a meaningless exercise at this time. Certainly, we can determine that particular days had news about Halliburton, but for those days that Defendants would label as "non-news days" it may be the case that at this time we merely are unable to find news about Halliburton.

38. Defendants erroneously assert that I misclassify the news on two events dates, December 22, 2000 and October 31, 2001. For the December 22, 2000 date, I am not relying on news released on December 21, 2000, as Defendants suggest. Rather, I am relying on additional analyst commentary from December 22, 2000 related to the restructuring charge announced on December 21, 2000.[60]

39. Defendants claim without any documentary support that the news I cite for October 31, 2001, "was released at least as early as October 28, 2001 (a day on which I do not find a statistically significant price change)."[61] The important news on October 31, 2001 (published after market close on October 30), are reports

60. Nettesheim Report, ¶¶106–112, and Exhibit 6, p. 5.

61. Defendants' Motion, p. 10; Allen Report, p. 15. October 28, 2001 is a Sunday and there is no stock price return for that date.

about the jury verdict against Halliburton in an asbestos trial in Mississippi. Although the verdict was rendered on Friday, October 26, I could not find a news report on the verdict before October 30.

40. On the days of significant movement in Halliburton's stock price for which no news or analyst coverage has been found to date, it is not necessarily the case that there was no important or material "news." Even so, material news pertaining to Halliburton was released on most of the days for which there was statistically significant movement in Halliburton's stock price. Certainly, on the dates when Plaintiff contends that there were partial disclosures of the fraud, there were large stock price changes and many news articles and analysts' reports.

v. The Analysis of News Related to Market Efficiency and Loss Causation in the Nettesheim Report is Appropriate

41. Defendants mischaracterize the analysis I undertook in the Market Efficiency (specifically with respect to *Cammer/Unger/Bell* Factor 5) and Loss Causation sections of the Nettesheim Report. Defendants point to nine dates on which the news available to me at this time does not explain the price movement, and then Defendants point to articles in Exhibit 18 to the Nettesheim Report on those dates as evidence of news regarding Halliburton.[62]

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62. Defendants' Motion, p. 9; Allen Report, p. 14. Exhibit 18 to the Nettesheim Report is a list of news articles for each day of the Class Period that contains the word "Halliburton" in the title or lead paragraph.

Appendix E

42. In the Nettesheim Report, I noted that on four of the nine days Halliburton's stock price return was relatively small. Therefore, it is not surprising that I could find no news. The company-specific returns were statistically significant only because there were large market and/or industry index returns on those dates. While Halliburton stock price returns were correlated with returns on market and industry residual indices, they were not perfectly correlated—thus, it is not unexpected that Halliburton's stock price did not move with the market and/or industry on certain dates.

43. For the other five dates, the news available to me at this time does not explain the relatively large price movement in Halliburton stock.[63] I did not say there was nothing in print about Halliburton on those dates, as Defendants suggest, only that the news available at this time did not explain the relatively large stock price movements. News articles commonly repeat information already known by the market. The fact that there was an article published with the word "Halliburton" in it on a day I conclude there was no news that accounts for the relatively large change in the stock price return does not contradict my conclusions. One must conduct an evaluation of the content of such news (as I have done).

44. The news articles that Defendants point to as evidence of news about Halliburton for the five dates for which I conclude the news is not sufficient to explain

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63. The five dates are: June 18, 1999, October 15, 1999, February 25, 2000, May 19, 2000, and November 6, 2001. (Nettesheim Report, ¶44.)

the relatively large stock price returns are as follows (company-specific return is in parentheses):

- June 18, 1999 (-4.1%): the article is merely a company profile report that summarizes information about a Halliburton subsidiary, *e.g.*, contact information, employees, turnover, assets.

- October 15, 1999 (-3.6%): the article repeated the earnings warning that Halliburton issued several days earlier. (The other article in Exhibit 18 for October 15, 1999, is about "Janet Halliburton" in the lead paragraph and is not about Halliburton Company.)

- February 25, 2000 (-3.6%): the article merely provides the date that Halliburton stock goes ex-dividend[64] and the amount of the dividend, neither of which could be new information as Halliburton paid regular dividends.

- May 19, 2000 (3.9%): the three articles refer to: (1) Brovig buying Halliburton's remaining 48% stake in Green Seas holding company for $6 million (this very small transaction is not mentioned elsewhere and appears relatively unimportant); (2) an oil rig off the Niger Delta where Halliburton is a contractor; and (3) Mr. Cheney heading Mr. Bush's vice presidential selection committee.

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64. The day before a company goes "ex-dividend" represents the last day in which investors can purchase the company's stock and still collect the firm's next declared dividend payment.

- November 6, 2001 (-3.5%): MaverickTrader.Com announced stocks with price action in accord with rating; for Halliburton the rating was Underperform (there was no analysis and this type of cryptic report does not appear to be important or material, compared to, for example, reports by analysts from CIBC World Markets or Dain Rauscher Wessels, both of which wrote more comprehensive reports on Halliburton during the Class Period[65]).

45. None of the news articles on the five dates discussed above explain the relatively large company-specific stock price returns on those dates, and Ms. Allen does not claim otherwise.

46. In contrast to my approach, Ms. Allen's method for classifying dates as "News" and "Non-News" is arbitrary and is not based on *any* examination of the content of the news. Ms. Allen contends that the excess (or company-specific) returns on what she classifies as "News Days" and "Non-News Days" are "very similar" and thus that my "procedure is unreliable."[66] However, Ms. Allen's classification of days as "New Days" and "Non-News Days" is speculative. She fails to conduct any analysis of the content of the news released on days she categorizes as "News Days" to determine if the news was "new news" or merely reiteration of events already known by the market. Nor does she evaluate the significance of the news released

65. *See, e.g.*, Nettesheim Report, ¶86.

66. Allen Report, p. 10.

on "News Days." Thus, it is hardly surprising that she did not find a difference in the company-specific return on days she classified as "News" and "Non-News" days.

vi. The Market Index Used in the Nettesheim Report is Replicable

47. Ms. Allen claims that she was unable to identify my market index.[67] As explained in what follows, the difference between my market index and the one she was able to create are extremely small, and the differences in the two series of returns are so minor as to be meaningless and irrelevant, as Ms. Allen knew. The results are the same regardless of which series of market returns are used. Her criticism without acknowledgement in her report that these differences are minor at most is specious and implies errors and problems with the data and my analysis that do not exist. Since she implied that there were problems with my market index, it would have been appropriate for her to specify in the Allen Report the

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67. Allen Report, p. 11. In her deposition (p. 169:4–15), Ms. Allen misleadingly suggests that, contrary to what I state in my report, I may not have used a market index:

> A. Yes, well, [Ms. Nettesheim] claims to use a market index. We were not able to find that market index. She claims it comes from Chris [*sic:* CRSP], we talked to [CRSP] but they don't think it came from them so—and she claims to use an industry index, I'm not sure what industry it is that it is an index of so it's not clear to me it's a market index or where it's from, it's not clear what industry it is an industry index of so I'm not sure I agree that she used a market or industry index.

extent of those problems and how large the differences in the data were. There was no indication in the Allen Report about the magnitude of the implied problem.

48. I have confirmed that the market index data used in the Nettesheim Report for the trading days in the Class Period is accurate. In the Nettesheim Report, I used a New York Stock Exchange/American Stock Exchange/NASDAQ ("NAN") market index that Stanford Consulting Group obtained a few years ago from CRSP, a data provider (since the Class Period ends in 2001, there was no need to obtain more recent data). When Ms. Allen stated that she could not replicate the market index, we re-ordered the NAN market index from CRSP. The re-ordered CRSP market index has returns that are almost exactly the same as the market index returns in the Nettesheim Report.[68] There is virtually no difference in the regression analysis using the re-ordered market index.

49. I have replicated the regression analysis in the Nettesheim Report using the CRSP market returns data that Ms. Allen relied upon and that was produced by defense counsel in this action subsequent to the issuance of her report. The differences between the returns that

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68. On 619 days out of 633 days (there are 633 trading days from June 3, 1999 to December 7, 2001) the absolute values of the differences in the two series of returns are less than 0.01%; the returns are different by more than 0.01% and less than 0.02% (two-hundredths of one percent) on only 13 days out of 633 days and by 0.06% on one day out of 633 days. When I inquired about this difference, an analyst at CRSP said that over the years, they have made very minor edits to the data.

Ms. Allen used and the returns on the market index used in the Nettesheim Report are very small and meaningless. I replicated the regression analysis in the Nettesheim Report using Ms. Allen's market returns and the results are virtually identical.[69]

vii. The Control Period in the Nettesheim Report is Representative and Robust

50. Ms. Allen contends that my findings are not "robust" based on her analysis of an alternative control period—a one-year period that begins after the Class Period.[70] She is incorrect, my findings are "robust," as demonstrated below, and it is her alternative control period that is arbitrary and irrelevant.

51. It is important to select a control period that is representative of the company during the Class Period and with as little impact as possible from the fraud in determining the normalized relationship between a company's stock price returns and the returns on a market index and an industry index.[71] The control period I used is more highly correlated and representative of Halliburton stock price returns during the Class Period than the control period proposed by Ms. Allen.

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69. The r^2 is 77% and the standard error is 0.01725 in both cases, and the statistically significant dates in the Class Period are exactly the same.

70. Allen Report, p. 13. She uses a one-year period from December 10, 2001 through December 9, 2002.

71. Nettesheim Report, Appendix, ¶3.

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52. The control period I used was the one-year period October 1, 1998 through September 30, 1999 (the 1998–1999 control period). The final day of the control period was only five days prior to October 5, 1999, the first date discussed in the Loss Causation section of the Nettesheim Report regarding a partial corrective disclosure of the lack of benefits from the Dresser merger.[72] Thus, the control period is immediately prior to the first partial corrective disclosure and is a better choice of a control period than the control period advocated by Ms. Allen which is after the end of the Class Period and after Halliburton had restructured its E&C businesses, and as explained below, after Halliburton had made a number of significant partial disclosures regarding its asbestos liability.

53. I also examined the effect of choosing other control periods prior to other important disclosures during the Class Period. The results using these other control periods are very similar to the results in the Nettesheim Report (and different than Ms. Allen's results), demonstrating that the control period in the Nettesheim Report is "robust." For example, a control period of October 1, 1999 through September 30, 2000 (the 1999–2000 control period), produces a very similar result to the control period used in the Nettesheim Report. The 1999–2000 control period, while after the first disclosure regarding Dresser, is prior to the partial corrective disclosures in October 2000 that are discussed in the Complaint as the first major corrective disclosures regarding the operational problems with fixed price contracts in Halliburton's E&C businesses. The

72. Nettesheim Report, ¶¶84–87.

r^2 and standard error for the 1999–2000 control period are 76% and 0.01729, respectively (compared to an r^2 and standard error of 77% and 0.01725 in the 1998–1999 control period). There is the same number of statistically significant residual returns, 31, as from the 1998–1999 control period. The significant dates differ slightly.[73]

54. A control period of June 1, 2000 through May 31, 2001 (the 2000–2001 control period), produces a very similar result as the control period used in the Nettesheim Report. The r^2 and standard error for the 2000–2001 control period are 71% and 0.01575, respectively (compared to an r^2 and standard error of 77% and 0.01725 using the 1998–1999 control period). All of the significant dates using the 1998–1999 control period are statistically significant using the 2000–2001 control period.[74] The 2000–2001 control period is prior to the partial corrective disclosure in June 2001 discussed in the Complaint as the first major corrective disclosure regarding Halliburton's potential asbestos liability.

55. Ms. Allen's proposed control period is from December 10, 2001 through December 9, 2002 (the Allen

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73. The following dates are significant for the 1998–1999 control period in the Nettesheim Report but were not significant using the 1999–2000 control period: October 27, 1999; January 12, 2000; February 25, 2000; October 23, 2000; November 1, 2001; November 6, 2001. Of these dates, November 1, 2001 is the only date I consider to be a curative disclosure with a significant stock price decline.

74. There are 19 additional significant dates using the 2000–2001 control period.

control period). During this time period, which is the one-year period following the end of the Class Period, material disclosures regarding the Company's asbestos litigation continued.[75] Also, certain Dresser subsidiaries obtained as part of the Dresser merger had been sold by then and Halliburton had been restructured such that it was a different company from what it was prior to the Class Period and different from what investors had expected at the start of the Class Period. These factors make Ms. Allen's control period less suitable than the control period used in the Nettesheim Report as a basis for an analysis of market efficiency and loss causation during the Class Period. These factors, which are unique to Ms. Allen's control period, may explain why Ms. Allen's results differ from my results and are consistent with my conclusion that it is Ms. Allen's analysis that is not "robust."[76] In fact, Ms. Allen concedes her alternative control period is not a better control period than the one I use.[77]

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75. *See, e.g.*, Complaint, ¶¶50–51.

76. I also note that Ms. Allen fails to suggest any industry index, let alone one that would produce similar "robust" results using the proposed alternative control periods. (Allen Deposition, p. 170:19–23.)

77. Allen Deposition, pp. 211:25–212:8:

> Q. And did you believe that the one year control period after the class period ended was a better control period than the control period that Ms. Nettesheim used?
>
> A. No, so the reason I did it wasn't because I thought that was a better period. I thought that that was a way to illustrate that her results are not robust ...

56. Using Ms. Allen's proposed control period, Halliburton stock price returns are not "explained" well by market and industry returns, which results in a higher standard error in the residual returns during this later time period. Ms. Allen imposes this relatively high standard error measure on the residual returns during the Class Period, which, in turn, means that few dates in the Class Period have a statistically significant stock price movement. Her approach is strained and unnecessary because, as I have demonstrated above, Halliburton stock price returns were "explained" well by market and industry returns.[78]

B. Loss Causation Has Been Demonstrated for the Allegations in this Matter

57. Plaintiffs allege misrepresentations regarding (1) the integration of Dresser, (2) accounting of unapproved claims, and (3) asbestos liability.[79] In her report, Ms. Allen claims that I fail to establish loss causation for each of these three allegations for various unwarranted

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78. Moreover, as stated in the Nettesheim Report, a statistically significant stock price movement is not a prerequisite for an event to be considered material and/or relevant to loss causation. (Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," *The Business Lawyer*, 49, 545, Nettesheim Report, ¶73.)

79. Lead Plaintiff's Motion for Class Certification and Incorporated Memorandum of Points and Authorities in Support Thereof, dated September 17, 2007 ("Lead Plaintiff's Motion") p. 3.

reasons.[80] Defendants further argue that my analysis of loss causation is flawed because I have "not provided the required empirical showing that some percentage of the stock price drop was attributable to the corrective disclosure." In what follows, I explain why Defendants' and Ms. Allen's arguments are flawed and that my analysis of loss causation shows that the partial disclosures related to the each of the three categories of allegations during the Class Period caused the price of Halliburton stock to decline, thus demonstrating loss causation.

i. Integration of Dresser

58. Ms. Allen puts forth the following arguments in order to dispute my analysis of loss causation for the allegations pertaining to the integration of Dresser:

- Ms. Allen states that I "inappropriately combine[] the allegations regarding the integration of Dresser with the allegations regarding the unapproved claims;"[81]

- Ms. Allen states that I wrongly look at whether stock price declines relate to E&C[82] and that I mischaracterize the underperformance of E&C

80. I note that Ms. Allen concedes that she has not conducted her own analysis of loss causation and is not opining as to whether there is loss causation in this matter. (Allen Report, p. 1; Allen Deposition, p. 83:18–22.)

81. Allen Report, p. 15.

82. Allen Report, p. 16.

as due to unrealized benefits from the Dresser merger;[83]

- Ms. Allen states that the alleged curative disclosures are not curative of alleged misrepresentations;[84]
- Ms. Allen states that I do not properly control for the E&C industry;[85]
- Ms. Allen states that there was non-culpable news on dates I determine are dates of curative disclosures.[86]

Each of these arguments is addressed below.

Allegations Regarding the Dresser Integration and Accounting for Unapproved Claims:

59. Ms. Allen argues that I "inappropriately combine[] the allegations regarding the integration of Dresser with the allegations regarding the unapproved claims."[87] The fact that I discuss the allegations related to the Dresser integration and the allegations related to Halliburton's accounting for unapproved claims in the same section of the Nettesheim Report is inconsequential. I recognize both of these allegations in the Nettesheim Report, and I demonstrate loss causation for each of

83. Allen Report, p. 20.

84. Allen Report, p. 17.

85. Allen Report, p. 18.

86. Allen Report, p. 22.

87. Allen Report, p. 15.

these allegations. I conclude that disclosures on January 5, 2000, October 24–25, 2000 and December 21–22, 2000 pertain to allegations related to both the Dresser integration and accounting for unapproved claims.[88, 89] I

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88. Regarding January 5, 2000, the Nettesheim Report (¶92), states:

> The reductions in earnings estimates are based at least in part on the problems with the large fixed-price contracts and the lack of benefits from the Dresser merger. ... Thus, a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger.

Regarding October 24–25, 2000, the Nettesheim Report (¶93) states:

> Thus, a significant portion of the stock price decline on October 25, 2000 was related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged in the Complaint.

Regarding December 21–22, 2000, the Nettesheim Report (¶112) states:

> As there was no other negative news released that day, all of the price decline on December 22 was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged by Lead Plaintiff.

89. I discussed the decline in the price of Halliburton stock on December 21 as being related to these allegations; however, the decline on this date was not statistically significant.

conclude that disclosures on October 5, 1999 pertain to allegations related to the Dresser integration.[90] On only one of the four dates of corrective disclosures (January 5, 2000) do I find confounding non-culpable news that may have contributed to the decline in Halliburton's stock price—however, in the Nettesheim Report, I demonstrate that a substantial portion of the decline was related to the curative disclosures.[91] It is my understanding that when all of the news on a given day causing a change in the stock price is related to the allegations (*i.e.*, when there is no non-culpable news causing a change in the stock price), Lead Plaintiff is not required to attribute the cause of a decline among multiple culpable negative statements, and I have not been asked to do so in this matter.[92] Therefore, it is my understanding that Plaintiffs are not required to separate out the portion of Halliburton's stock price declines due to disclosures pertaining to the allegations regarding the Dresser integration from the allegations regarding the accounting for unapproved claims.

60. I also note that the allegations regarding the Dresser integration and the allegations regarding accounting for unapproved claims are inherently related. Among other things, the Complaint alleges that the Company's apparently favorable financial results due to accounting for unapproved claims were misleadingly

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90. The Nettesheim Report (¶84) states "[October 5, 1999] is an instance where the Company released negative news, which concerned the lack of benefits arising from the Dresser merger."

91. Nettesheim Report, ¶¶88–92.

92. Lead Plaintiff's Motion, p. 22.

attributed by Defendants to successful restructuring of the Company upon the Dresser merger:

> Thereafter, Cheney and Halliburton's other top executives continued to conceal that they had secretly changed the manner by which Halliburton accounted for Unapproved Claims. They told investors that the favorable financial results of Halliburton's construction operations were due to their "successful consolidation and restructuring" and, when negative industry conditions emerged, that the "benefits of [Halliburton's] ... restructuring activities allowed [them] to remain profitable during this most difficult period." Halliburton said that the integration of Dresser's and Halliburton's construction operations had been "particularly effective" and had resulted in "strength in all facets of construction and project management." They also told investors that the "keys" to improving Halliburton's "profit margins ... will be ... acceptance of more fixed-price contracts" and "reiterated their confidence in the integrity (*i.e.*, margins)" of Halliburton's construction backlog.[93]

The Dresser Integration and E&C:

61. Ms. Allen accuses me of attributing "any negative news that relates to E&C" to corrective disclosures

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93. Complaint, ¶14, emphasis removed.

related to the integration of Dresser.[94] She cites October 25, 2000 as an example.[95] This is not true. I did not arbitrarily select October 25, 2000 as a curative disclosure date as Ms. Allen suggests. The curative disclosures of the allegations related to the Dresser integration cited in the Nettesheim Report (including October 24–25, 2000) are disclosures of the operational problems and cost overruns at the Company's engineering and construction units that resulted from the lack of benefits from the Dresser merger that are alleged by Lead Plaintiff. The events of October 24–25, 2000 and their relationship to the allegations regarding the Dresser integration (as well as the allegations regarding cost overruns and accounting for unapproved claims) are discussed extensively in the Complaint, as well as in the Nettesheim Report.[96]

62. Moreover, at issue (among other things) is the allegedly unsuccessful integration of Dresser's construction unit (M. W. Kellogg) with Halliburton's Brown & Root engineering and construction operations, which, together, formed Halliburton's Kellogg Brown and Root—one of two divisions of Halliburton's Engineering and Construction Group.[97] M. W. Kellogg comprised a

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94. Allen Report, p. 16.

95. *See, e.g.*, Complaint ¶¶144–147. October 25, 2000 is a date I conclude contains disclosure related to both the integration of Dresser to accounting for unapproved claims. Defendants' criticisms of this date as it pertains to accounting for unapproved claims are addressed elsewhere in this Rebuttal Report.

96. *See, e.g.*, Complaint ¶144.

97. Halliburton's Engineering and Construction Group segment consisted of Kellogg Brown & Root and Brown & Root Services. (Company 2000 10-K SEC filing.)

significant portion of the Company's E&C segment. As such, disclosures of the alleged operational problems related to the integration of Dresser's M. W. Kellogg will inevitably entail discussions of the performance of the E&C unit as a whole. Disclosures such as the restructuring of the Company's E&C unit due to "serious operational problems in Halliburton's construction business" (as disclosed on October 24–25, 2000 and December 21–22, 2000) directly relate to the alleged unsuccessful Dresser integration. The significance of the integration of Dresser's M. W. Kellogg business into Halliburton's E&C segment was recognized by the Company and by analysts. For example, the September 29, 1998 Company press release announcing the completion of the merger states:

> Dick Cheney ... said, "The merger ... improves our position as the leader in providing integrated project management services .... The combination of M.W. Kellogg's engineering expertise with Brown & Root's project management and construction strengths enhances the competitive position of the new Kellogg Brown & Root organization. ... The merger will both lower Halliburton's cost structure and increase its operating income from added revenues. We expect that net synergistic benefits will add at least $250 million pretax to earnings on an annualized basis."[98]

On March 1, 1999, Donaldson, Lufkin & Jenrette issued a report on Halliburton in which it rated the Company's stock a "Top Pick." The report stated:

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98. Cited in the Complaint, ¶83.

Appendix E

> *Leading engineering and construction company in the world*—The combination of Dresser's M.W. Kellogg subsidiary and Halliburton's Brown & Root subsidiary creates one of the largest and best positioned e&c companies with a worldwide presence and a number of unique technologies in diverse areas including LNG, ammonia, olefins and ethylene.[99]

Curative Disclosures:

63. Ms. Allen suggests that the presence of days with positive company-specific returns and negative news announced related to E&C somehow undermines my analysis of loss causation. She cites July 26, 2001 and July 27, 2000 as examples. As discussed in the Nettesheim Report, the positive change in Halliburton's stock price on July 26, 2001 was due to the fact that Halliburton released its second quarter financial results that day, reporting strong revenue and earnings and, as a result, several analysts raised their estimates.[100] The positive change in Halliburton's stock price on July 27, 2000 was due to positive second quarter 2000 earning results released after market close on July 26.[101] The positive returns on

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99. Cited in the Complaint, ¶93.

100. Nettesheim Report, Appendix, ¶¶58–59.

101. *See, e.g.*, Deutsche Banc Alex. Brown, "Halliburton Company [HAL] 'BUY': Upgrading Rating to Buy From Market Perform, 2000/2001 Estimates Raised," July 27, 2000; SunTrust Robinson Humphrey Capital Markets, "HAL—June Q Above Expectations, Driven by Strength in Energy Services," July 27, 2000.

both days do not indicate that the market did not react to negative news. Rather, it indicates that the reaction to positive news may have been greater than the reaction to negative news. Ms. Allen's analysis merely suggests that there may be additional dates beyond those identified in the Nettesheim Report that demonstrate loss causation. While I do not necessarily agree that these dates represent curative disclosures, to the extent that negative curative information exerted downward pressure on Halliburton's stock price, which rose or maintained its price for other reasons on days such as July 26, 2001 and July 27, 2000, my analysis of loss causation is conservative.

Controlling for the E&C Industry:

64. Ms. Allen argues that I do not properly control for the E&C industry[102] and that I "mischaracterize the underperformance of E&C as due to unrealized benefits of the Dresser merger."[103] These topics are addressed in paragraphs 24–27 of this Rebuttal Report.

Alleged Non-Culpable News on Dates of Curative Disclosures:

65. Ms. Allen alleges that non-culpable information was released on dates which I find curative disclosures of the allegations related to the Dresser integration. However, her examples of confounding news are misleading, not substantial, unrepresentative of the

102. Allen Report, p. 18.

103. Allen Report, p. 20.

overall market consensus, and/or not relevant to loss causation in this matter. I address each of these dates in what follows.

66. *October 5, 1999*: After market close October 4, 1999, the Company warned that it expected its 1999 third-quarter earnings to be in the range of 11 to 13 cents per diluted share. The previous average analyst estimates was 19 cents per share. The Company attributed the reduction, in large part, to the lower than expected profits of the joint ventures of its subsidiary, Dresser Industries, which was part of its engineering and construction units and many of the other business units of the Dresser Equipment Group. Ms. Allen misleadingly cites two analyst reports released on October 5, 1999 as evidence of confounding non-culpable news released on that date.

67. Ms. Allen claims that an October 5, 1999 CIBC World Market report evidences that the October 5 decline may be attributed to "industry issues."[104] I cite the same analyst report in the Nettesheim Report.[105] The actual decline in Halliburton's stock price that day was 13.2%; the company-specific decline was 9%. Industry-wide disclosures are generally captured by the industry index and are not reflected in the company-specific returns. Thus, these negative "industry issues" are accounted for in my analysis.

68. Ms. Allen states that the weakness in the Company's earnings was in "virtually all areas of the

104. Allen Report, pp. 23–24.

105. Nettesheim Report, ¶86.

business" (citing the same CIBC report). However, as stated in the Nettesheim Report, Halliburton attributed the reduction, "in large part," to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group.[106] Dresser Equipment Group was one of three business segments created at Halliburton as a result of the Dresser merger, encompassing what was formally Dresser's Energy Equipment segment.[107]

69. Lastly, Ms. Allen cites an October 5, 1999 Merrill Lynch report as evidence that "the market considered the sale to be positive news."[108] Such positive statements noted by Ms. Allen would not be a contributing factor to the decline in Halliburton's stock price—they are not confounding negative news. These positive statements by analysts were noted in the Nettesheim Report. However, as also noted in the Nettesheim Report, these same analysts also recognized that the move would "negatively affect earnings in the fourth quarter and for at least part of 2000."[109] This analyst attributed "most" of the shortfall

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106. Nettesheim Report, ¶84, citing *Reuters News*, "Halliburton to Exit Two Ventures, Sees Lower Q3 EPS," October 4, 1999, 5:23 pm.; Halliburton SEC Form 8-K filed October 4, 1999.

107. Halliburton SEC Form 8-K dated September, 29, 1998.

108. Allen Report, p. 24 (emphasis removed).

109. Nettesheim Report, ¶85. As stated in the October 5, 1999 Merrill Lynch report cited by Ms. Allen:

> Late yesterday afternoon, HAL announced both positive and negative developments.

to the lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group. This is consistent with my conclusion that a significant portion of the stock price decline on October 5, 1999, was caused by information that partially corrected prior misstatements and omissions regarding the Dresser merger and the Company's related operational problems.

70. *January 5, 2000*: On Wednesday, January 5, 2000, both a Merrill Lynch analyst and a Brown Brothers Harriman & Co. analyst cut their earnings estimates for Halliburton. The Merrill Lynch analyst attributed his cut to reduced expectations for offshore construction results, a reduced growth estimate for oilfield spending outside North America and "less powerful synergies from the Dresser merger than [h]e had envisioned." I conclude that this was a partial disclosure related to

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- The positive is that HAL will sell its JV interests in Dresser-Rand and IR Dresser Pump to Ingerson-Rand for $1.1 billion (pretax). HAL expects to retain pooling treatment of the Dresser Industries merger.

  ...

- The negative is that 3Q EPS is only expected to be $0.08–$0.10 from operations, which is below our $0.16 estimate. While most of the shortfall comes from the JVs that are being sold, HAL's oilfield earnings are also weaker than expected due to lower overseas results.

- We are cutting our 1999E from $0.71 to $0.57 and are taking our 2000E down from $1.30 to $1.15. About half the cut reflects elimination of the JV earnings sooner than we expected.

the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits realized from the Dresser merger.[110] Ms. Allen argues that, contrary to my conclusion, the "reduced expectations for offshore construction results" is a non-culpable disclosure, because the Merrill Lynch analyst attributes this to "weak future business from projects in the North Sea, a delay regarding deepwater development projects and reductions in offshore construction that are in line with competitors"—reasons, she asserts, that "bear no relationship" with the allegations.[111] I disagree. The condition and success of Halliburton's construction operations is directly related to the allegations pertaining to the Dresser integration. Furthermore, to the extent these were industry-wide concerns, they are generally accounted for by my industry index, and not reflected in Halliburton's company-specific returns. In the Nettesheim Report, I opine that the news related to industry oilfield spending is non-culpable. However, I conclude that this news is unlikely to be a contributing factor to the significant company-specific decline in Halliburton's stock price because it was an industry-wide concern.[112] Ms. Allen argues that if the price decline is due to the reduction in the analysts' estimates, and the analyst cites this information as a "key factor" to the cut, then this information must have contributed to the decline in Halliburton's stock price.[113]

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110. Nettesheim Report, ¶88.

111. Allen Report, p. 25.

112. Nettesheim Report, ¶¶90–91.

113. Allen Report, p. 25.

Her argument does not undermine my analysis. I did not conclude that this factor did not contribute to the total decline in Halliburton's stock price. Rather, I conclude that this news is unlikely to be a contributing factor to the significant *company-specific* decline. As explained in the Nettesheim Report, industry-wide concerns such as these generally are accounted for in my analysis through my industry index and are not reflected in the company-specific returns.

71. Notably, Ms. Allen does not refute my conclusion that one of the key reasons for the estimates cut by Merrill Lynch, namely "less powerful synergies from the Dresser merger than [the Merrill Lynch analyst] had envisioned," is relevant to loss causation.[114] The fact that this was one of the key reasons for the analyst's downgrade of Halliburton stock supports my conclusion that a significant portion of the stock price decline on January 5, 2000 was caused by information that partially corrected investors' erroneous assessments of the profitability of overseas construction projects and the benefits of the Dresser merger.

72. *October 25, 2000*: After market close on October 24, 2000, while announcing its third quarter earnings release, the Company disclosed that it would be restructuring its engineering and construction units. The subsequent restructuring charge taken in the fourth quarter (as revealed later in the December 21-22, 2000 partial disclosure) was predominantly due to the delays and cost

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114. Merrill Lynch, "Halliburton Co; Downgrading from Buy to Accumulate," January 5, 2000, p. 2.

overruns of Halliburton's large fixed-price construction projects.[115] In the Nettesheim Report, I conclude that a significant portion, if not all, of the significant price decline on October 25 is related to the Company's booking unapproved claims on fixed-price contracts (discussed below) and lack of benefits from the Dresser merger.[116] Ms. Allen cites just one analyst report (by Dain Rauscher Wessels) as evidence of confounding news on October 25, 2000. Ms. Allen contends that the confounding news that day was regarding "the weaker than expected international market for the Energy Service Group."[117] The effect of that news is generally captured by my industry index. She puts forth the same information that I present in the Nettesheim Report, which demonstrates that more than 80% of Dain Rauscher Wessels' reduction in estimated operating earnings for 2001 comes from the Company's E&C unit (less than 20% comes from the Company's Energy Services unit). This supports my conclusion that "the negative news and sentiment is predominately about the operational problems, delays and cost overruns for large construction projects."[118]

73. *December 22, 2000*: On Thursday, December 21, 2000, Halliburton pre-announced fourth-quarter earnings and formally unveiled the restructuring of its engineering and construction units and its plan to take

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115. Nettesheim Report, ¶95.

116. Nettesheim Report, ¶¶93–105.

117. Allen Report, p. 26.

118. Nettesheim Report, ¶¶104–105.

a charge of $120 million in the fourth quarter, the bulk of which was due to cost overruns at several overseas projects (the Company's initial announcement of its intent to restructure on October 24–25, 2000 is a curative disclosure discussed above). Ms. Allen contends that there was confounding information regarding "increased competitive pressure and intensified competition in pricing and labor disturbances in Venezuela and West Africa," in reference to a CIBC analyst report.[119] I also cite this CIBC analyst report and I note these factors in the Nettesheim Report.[120] However, these factors are not confounding news. On the contrary, they are reasons provided by the Company for the cost overruns at issue in this matter. As the CIBC report states, these factors were company-specific problems leading to cost overruns that were not expected to be recovered. The CIBC report distinguishes these problems from "general industry-wide issues" (which are generally accounted for in my analysis by my industry index):

> Although the E&C division was weak in the first half of 2000, we were surprised by management's earnings warning on the 3Q conference call. There were concerns that HAL might not have the critical mass to generate consistent and predictable profitability in the E&C business. Labor disturbances in Venezuela and West Africa caused significant costs to be incurred

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119. Allen Report, p. 27, citing CIBC World Markets analyst report, dated December 22, 2000.

120. Nettesheim Report, ¶110.

> on several large fixed-fee E&C contracts. HAL has submitted claims on these costs to clients, but HAL does not believe that all the costs will be recovered. Additionally, relationships with some customers have deteriorated and the cost increase claims on seven other projects have not resolved as expected.
>
> General industry-wide issues are also impacting the E&C business. ...[121]

74. As noted above, the Dresser's construction unit (M. W. Kellogg) and Halliburton's Brown & Root engineering and construction operations, together, formed Halliburton's Kellogg Brown and Root—one of two divisions of Halliburton's Engineering and Construction Group. As disclosed on December 21–22, significant cost overruns, which were not expected to be recovered, were incurred at Kellogg Brown & Root and both Brown & Root Energy Services and Kellogg Brown & Root were impacted by the charges and reorganization.[122] As such, the December 21–22, 2000 disclosure of the restructuring necessitated by the severe operational problems arising from the failed Dresser merger was a partial disclosure of the allegations pertaining to the integration of Dresser

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121. CIBC World Markets, "Halliburton Co.—4Q Outlook In Line With Prior Guidance; Restructuring Charge Announced," December 22, 2000.

122. *PR Newswire*, "Halliburton Announces New Structure and Engineering and Construction Charges," December 21, 2000, 8:59 am, cited in Nettesheim Report, ¶106.

(as well as the allegations pertaining accounting for unapproved claims, discussed further below), causing a significant decline in Halliburton's stock price.

ii. Accounting for Unapproved Claims

75. Ms. Allen puts forth the following arguments in order to dispute my analysis of loss causation for the allegations pertaining to the accounting for unapproved claims:

- Ms. Allen states that I attributed any bad news related to fixed-price contracts as related to the allegations regarding unapproved claims and that the curative disclosures identified in the Nettesheim Report are not curative; [123]

- Ms. Allen states the risk of cost overruns was known by the market prior to the curative disclosures identified in the Nettesheim Report;[124]

- Ms. Allen states that there was no statistically significant price reaction to the actual disclosure of the change in accounting for unapproved claims.[125]

Each of these arguments is addressed in what follows.

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123. Allen Report, pp. 28, 29.

124. Allen Report, p. 32.

125. Allen Report, p. 32.

Appendix E

Alleged Non-Culpable News on Dates of Curative Disclosures:

76. Ms. Allen criticizes my analysis of loss causation regarding allegations pertaining to accounting for unapproved claims because she asserts that I wrongly consider bad news related to fixed-price contracts as relevant to the allegations. She states "clearly, not all information related to fixed-price contracts is necessarily related to Plaintiff's allegations regarding booking of unapproved claims."[126] However, she fails to identify material negative information on these dates that is not related to the allegations (other than that already discussed in the Nettesheim Report). I address each of these dates of curative disclosures in what follows.

77. *January 5, 2000*: Ms. Allen argues that Carol Lau's January 5, 2000 analyst report "reveals absolutely no information regarding the booking of unapproved claims on fixed-price contracts."[127] As described in the Nettesheim Report, Ms. Lau reduced her year 2000 EPS forecast for the Company by $0.20, $0.07 of which was due to the E&C segment and the Dresser Equipment segment. I also note that on that day, Merrill Lynch analyst K. Simpson ("Simpson") cut his estimates of Halliburton's earnings due to reduced expectations for offshore construction results, a reduced growth estimate for oilfield spending outside North America and "less powerful synergies from the Dresser merger than [he]

126. Allen Report, p. 28.

127. Allen Report, p. 30.

had envisioned." The reasons Simpson cites for cutting his rating for Halliburton—except for his concerns about oilfield spending, an industry trend not a company-specific development—are related to Halliburton's alleged misstatements and omissions concerning revenues and profitability from large fixed-price construction contracts and the benefits of the Dresser merger. These disclosures reveal, in part, the true state of the Company's operating income due to unsatisfactory profitability of certain large fixed-price contracts, which Plaintiffs allege should have been disclosed earlier in the Class Period.[128]

78. *October 25, 2000*: Ms. Allen argues that, with respect to the October 25, 2000 disclosures, "there is no basis for [my] conclusion that E&C, a major segment of Halliburton's business, is synonymous with the allegations regarding unapproved claims."[129] The Complaint alleges (among other things) that "defendants were concealing ever increasingly serious operational problems with Halliburton's construction businesses, [and] huge unpaid change orders and cost overruns ("Unapproved Claim(s)") it was suffering on several of its large fixed-price/lump-sum contracts ...."[130] As discussed above, the events of October 24–25, 2000 and their relationship to the allegations regarding the Dresser integration, cost overruns and accounting for unapproved claims are discussed extensively in the Complaint, as well as in the

128. Complaint, pp. 140–141.

129. Allen Report, p. 30.

130. Complaint, ¶2.

Nettesheim Report. The price decline on October 25, 2000, was caused by revelations related to these allegations.

79. *December 22, 2000*: Regarding the December 22, 2000 disclosures, Ms. Allen argues that "problems with fixed-price contracts can occur independent of how unapproved claims are booked." She cites no such "problems." She also argues that Halliburton's cost overruns were attributed by analysts to "changes in market conditions" and cites the December 22, CIBC analyst report which discusses labor disputes in Venezuela and West Africa.[131] As discussed above, the CIBC report cited by Ms. Allen attributes the Company's cost overruns to Halliburton-specific problems—it distinguishes these problems from "general industry-wide issues." Ms. Allen also notes that "Plaintiff made no allegations about these labor disturbances or how Halliburton could have known them at the beginning of the alleged class period and failed to disclose them."[132] This statement mischaracterizes the allegations regarding accounting for unapproved claims. The allegations pertain to the undisclosed true probability of such cost overruns and that Halliburton had not disclosed such cost overruns.[133]

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131. Allen Report, p. 31. (This is the same (and only) analyst report Ms. Allen cites as evidence of confounding news on December 22, 2000 in her discussion of the allegations pertaining to the integration of Dresser.)

132. *Id.*

133. *See, e.g.*, Complaint, ¶42(f).

Appendix E

The Risks of Cost Overruns:

80. Ms. Allen contends that "the risks of cost overruns connected to fixed-priced contracts were known by the market before the alleged curative disclosures."[134] The market may have been aware generally that there were certain risks associated with long-term fixed price contracts, but the allegations are that Defendants failed to adequately disclose the true probability of cost overruns, the magnitude of such probable cost overruns and the fact that it was recording revenue (as a consequence of cost overruns) it knew it was not likely to collect.[135] The fact that the market was not aware of the true probability of cost overruns, the magnitude of such probable cost overruns and the fact that Halliburton was recording uncollectible revenue is demonstrated by the market's reaction to disclosures of such cost overruns—including the decline in the price of Halliburton stock upon such disclosures.

March 14, 2000 Disclosure:

81. Ms. Allen asserts that March 14, 2000 was "an actual curative disclosure" regarding unapproved claims—because the change in Halliburton's accounting practices relating to the booking of revenues related to claims and change orders was disclosed on that date to the market in the company's Form 10-K. Ms. Allen wrongly states that the "Complaint alleges that March 14, 2000

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134. Allen Report, p. 32. Ms. Allen refers to three analyst reports dated April 7, 1998, October 3, 1998 and October 7, 1998.

135. *See, e.g.*, Complaint ¶¶2, 10, 42(f).

was a partial disclosure," and notes that on this date Halliburton's stock price did not change significantly.[136] On the contrary, the Complaint alleges that Halliburton's March 14, 2000 SEC filing was misleading:

> The Company did not disclose [] $34 million of Unapproved Claims that the Company recognized in 99 in connection with joint venture projects. The omission flattened the ascending curve of Unapproved Claims recognized by the Company .... In addition, the Form 10K was false and misleading because many of the Unapproved Claims accrued by Halliburton did not qualify for recognition, *i.e.*, recovery was not objectively probable. Also, Halliburton was continuing to improperly record and recognize millions of dollars of such Unapproved Claims as revenue. ...[137]

My analysis (which finds no significant stock price movement on this date) is consistent with this allegation. If Defendants had accurately disclosed its improper

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136. Allen Report, p. 33. Despite her conclusion that my event study analysis in insufficient, I note that Ms. Allen relies on my event study analysis to conclude whether there was a statistically significant stock price movement on certain dates. (For example, for March 14, 2000, and for her analysis of whether there was a statistically significant stock price increase on dates of misstatements alleged in the Complaint on page 42 of her report.) Ms. Allen does not put forth her own event study analysis in this matter. Her criticisms of my event study are undermined by her conclusions which rely on my event study.

137. Complaint, ¶231.

application of the accounting rules for fixed-price contracts, Halliburton's stock price would have declined substantially, as it did when the truth regarding cost overruns on fixed-price contracts was revealed to the market later in the Class Period.

iii. Asbestos Liability

82. Ms. Allen puts forth the following arguments in order to dispute my analysis of loss causation for the allegations pertaining to asbestos liability:

- Ms. Allen states that I fail to link the alleged misrepresentations to the curative disclosures[138] because (i) my loss causation analysis is not based on an understanding of Plaintiffs' allegations, (ii) the curative disclosures are not curative, and (iii) there is no consistency in my choice of curative disclosures;[139]

- Ms. Allen states that I fail to control for changes in the asbestos litigation environment;[140]

- Ms. Allen states that the stock price of other

138. This argument is also put forth in Defendants' Motion, p. 11, which states I "ignore the first step of specifically identifying what Halliburton said or did that was fraudulent" and fail to "link a later disclosure of the 'truth' to anything previously said or done by Halliburton."

139. Allen Report, pp. 33–40.

140. Allen Report, p. 39.

asbestos defendants reacted to Halliburton's curative disclosure, evidencing the disclosure contained unrelated information;[141]

- Ms. Allen states that the December 7, 2001 curative disclosure contained a credit rating agency downgrade for reasons separate from the allegations.[142]

Each of these arguments is addressed in what follows.

The Curative Disclosures are Related to the Allegations:

83. Ms. Allen asserts that my analysis is not based on a proper understanding of the allegations related to the asbestos liability, and that I "do not have an understanding of how Halliburton's asbestos reserves were estimated, nor how the market perceived how the estimation was made." Ms. Allen opines that the allegations in this matter pertain only to Halliburton's reserve for pending (and not future) asbestos claims, and that the Company's reserve was adequate. She implies that undisclosed liabilities not yet materialized by way of a lawsuit suit being filed are unrelated to the allegations.[143] I disagree—it is my understanding that the allegations are regarding Defendants' improper disclosure of Halliburton's overall asbestos liability.

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141. Allen Report, p. 39.

142. Allen Report, p. 41.

143. Allen Report, p. 33. Allen Deposition, pp. 120:3–121:4.

84. Ms. Allen does not provide any evidence as to the market's perception, let alone evidence that the market's assessment contradicts my conclusions or the allegations. As cited in the Complaint, a UBS analyst report released during the Class Period on July 26, 2001, states the Company assured the market that the majority of any future asbestos claims or increases in settlement rates were covered by insurance:

> The company touched on its asbestos situation and once again indicated that it believed that it has the situation under control and that the financial impact should not be material to the financial health of the company. These comments also came out in a private meeting that we had with HAL's CEO several weeks ago. In that meeting, Mr. Lesar indicated that HAL maintains a significant amount of insurance that should that should cover the majority of any future claims or increases in settlement rates.[144]

85. Ms. Allen concedes that the curative disclosures that the Nettesheim Report related to asbestos liability are in fact "related to asbestos," however, she argues that I provide "no further link." She cites June 28, 2001 as an example, stating that "there is no allegation ... that Halliburton knew or should have known prior to June 28, 2001 that Harbison-Walker would request financial assistance from Halliburton for its asbestos claims ...." Similarly, she argues that the events of August 9,

144. Complaint, ¶177 (emphasis removed).

2001 (when Halliburton disclosed an increase in the number of pending asbestos claims and also increased its reserve) could not have been known at the beginning of the Class Period.[145] Theses arguments are fact based, and nevertheless fail to contradict loss causation. The allegations are that the Company failed to adequately disclose the full extent of its asbestos liability and the true probability of events such as these or similar events occurring; and failed to adequately reserve for the eventuality of these events. The decline in Halliburton's stock price that occurred as a result of these two partial disclosures is a consequence of such misrepresentation.

86. Ms. Allen argues that the stock price declines on five of the curative disclosure dates identified in the Nettesheim Report were related to verdicts which were considered "surprising" and "unexpected."[146] The verdicts were "surprising" to the market, because the market was alleged to have been previously misinformed by Defendants as to the full extent of its asbestos liability and the true probability of events such as these occurring, and misled by Defendants that the "pending asbestos claims [would] be resolved without material effect on [Halliburton's] financial position or result of operations."[147]

87. Ms. Allen states that "there is no consistency in [my] choice of curative disclosure dates ..." because

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145. Allen Report, p. 37.

146. Allen Report, pp. 37, 40.

147. Complaint ¶74, citing Halliburton's SEC Form 10-K for 1999.

there are dates during the Class Period "where information related to asbestos is announced that [I do] not consider curative disclosures." She cites news released on April 7, 2000 and March 21, 2001 regarding litigation involving Highlands Insurance Group, Inc. and Halliburton as examples.[148] Neither of these two dates had a statistically significant stock price movement and confounding disclosures may explain Halliburton's stock price movement on those dates.[149] Ms. Allen is merely

148. Allen Report, p. 38.

149. The article cited by Ms. Allen for April 7, 2000 was released at the end of the trading day (3:56 pm). Halliburton's stock price was up 1.1% and down 3.3% on Friday, April 7 and Monday, April 10, respectively. The company-specific returns are 1.2% and 3.0%, respectively (these are not statistically significant returns). Also, after market close on April 7, 2000, there was a positive article regarding a decision by U.S. Ex-Im Bank to guarantee a total of $500 million of loans extended to the Tyumen Oil Company (the largest guaranteed by the bank for Russian companies), making it possible to involve numerous U.S. companies including Halliburton Energy Service, in joint projects and create thousands of jobs. (*Daily News Bulletin*, "U.S. Ex-IM Bank's Guarantees of TNK Loans Largest in Russia," April 7, 2000, 7:41 pm.)

The article cited by Ms. Allen for March 21, 2001 was released after market close (6:25 pm). Halliburton's stock price was down 5.6% and down 2.5% on March 21 and 22, respectively. The company-specific returns are 3.0% and 0.4%, respectively (these are not statistically significant returns). On March 22, 2001, Halliburton announced "its legal counsel, Vinson & Elkins LLP, believed that the ruling would likely be reversed on appeal to the Delaware Supreme Court and that it planned to file an appeal as soon as possible." (*Reuters*, "UPDATE 1—Halliburton to appeal Highlands asbestos ruling," March 22, 2001.)

proffering additional dates that may demonstrate loss causation. As stated in the Nettesheim Report, in the future, I may consider additional and/or different dates as partial disclosures of the alleged fraud based on additional analyses, materials, further discovery, and/or the opinions of other experts in this matter.[150] To the extent that disclosures related to the asbestos allegations occurred on dates proffered by Ms. Allen and contributed to a decline in Halliburton's stock price, my analysis of loss causation is conservative.

Changes in the Asbestos Litigation Environment:

88. Ms. Allen argues that I "fail[] to control for changes in the asbestos litigation environment" because I have "done nothing to include in [my] index companies with similar asbestos exposure to Halliburton."[151] The flaws in Ms. Allen's argument are discussed at paragraph 28 to this Rebuttal Report.

The Stock Prices of Other Asbestos Defendants:

89. Ms. Allen's cites the decline in other companies' stock prices following the December 7, 2001 disclosure as evidence that "the disclosure contained information other than about Plaintiff's allegations regarding asbestos reserves." She fails to identify what this "other" information may be. As discussed above, industry-wide factors generally are not reflected in Halliburton's

150. Nettesheim Report, ¶78.

151. Allen Report, p. 39.

company-specific return. Moreover, as Ms. Allen indicates, Halliburton's stock price did not go down because of industry or market concerns—rather, the stock prices of these other companies when down because of news specific to Halliburton.[152]

90. I also note that the decline in the stock prices on December 7, 2001 for the companies presented by Ms. Allen are significantly less than the decline in the price of Halliburton stock price that day. Halliburton's stock price dropped 42.4% (the company-specific return was 42.7%). Sealed Air, Georgia-Pacific, CBS/Viacom, and Crown Holdings dropped 9.8%, 13.9%, 4.9% and 0%, respectively. Ms. Allen's arguments support, rather than contradict, my conclusion that this date contained company-specific disclosures relevant to loss causation. She does not provide any evidence that the price of Halliburton stock declined because of news about other companies' asbestos exposure, or non-specific Halliburton news about the "asbestos litigation environment."

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152. Ms. Allen cites the following statement in an analyst report:

> Asbestos litigation re-emerged as a concern for investors last week after oilfield services giant Halliburton Co. said a jury slapped one of its units with $30 million in damages ... [the verdict] spurred continued anxiety on Monday, driving down shares of a disparate group of other companies facing asbestos claims.

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Moody's December 7, 2001 Downgrade:

91. Lastly, Ms. Allen argues that on December 7, 2001, Moody's Investors Service (Moody's) downgraded Halliburton for reasons unrelated to the allegations. As Ms. Allen states, Moody's downgrade "reflected concerns about the future asbestos claims, and the inconsistencies in the size of judgments."[153] Ms. Allen's argument is based solely on her flawed characterization of Lead Plaintiff's allegations regarding Halliburton's asbestos "reserve" and asbestos "liability," which I discuss above. Since Moody's downgrade does, in fact, relate to the allegations in the Complaint, the downgrade cannot be considered a non-culpable cause of Halliburton's stock price decline. A correct interpretation of Plaintiffs' allegations, which includes misrepresentations regarding the probability of future asbestos claims against the Company, is consistent with my conclusion that this Moody's downgrade is a corrective disclosure.[154]

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153. Allen Report, p. 41, citing Moody's Investors Service Press Release, December 7, 2001.

154. I note that in her deposition, Ms. Allen concedes that the announcement by Halliburton on December 7, 2001 regarding the recent asbestos verdicts contributed to the decline in the Company's stock price that day.

> Q. So is it the case that, as you understand it the decline in Halliburton stock on December 7 was at least in part related to something that Halliburton said on that day?
>
> A. Yes and I think it's in part related to the 30 million dollars verdict. (p. 179:6–12)

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iv. An Empirical Analysis of Loss Causation

92. Defendants argue, generally, that my analysis of loss causation is flawed because I have "not provided the required empirical showing that some percentage of the stock price drop was attributable to the corrective disclosure."

93. As stated in the Nettesheim Report, I conducted several empirical analyses demonstrating loss causation.

Q. Am I correct that on December 7 there was a very substantial decline in Halliburton's share price?

A. Correct.

Q. And did you reach any judgment or conclusion as to what caused that drop in Halliburton's stock price?

A. Around the time—around this time in December, I believe the price of Halliburton stock was falling because of uncertainty regarding asbestos and the change in the asbestos environment as well as some recent and unexpected verdicts and judgments that related to Halliburton and I also believe that there is at least some commentary from the analyst that the market reaction around the time was an overreaction, particularly the reaction around the December—around December 7. (pp. 97:20–98:14)

A. It's my understanding that the new piece of information that the analysts considered important that was discussed on December 7 is the 30 million dollars verdict. I don't recall other information that the analysts picked upon from what the company had said or considered new information. (p. 173:14–20)

These analyses include: an econometric analysis of the Company's stock returns; a review of all of the news surrounding the day on which the alleged disclosure was made; a determination of how much of the day's stock return can be attributed to company-specific news and events; a review of all of the available analyst reports surrounding the day on which the alleged disclosure was made to determine how the company's statements or communications impacted market participants' assessments of the company's value; an empirical analysis of the information on and surrounding the disclosure date; an analysis to determine what specific news items were important on the day of the alleged disclosure or on the days surrounding the day of the alleged disclosure; an empirical analysis to determine the relative importance of different pieces of news with respect to impact on stock valuation, *i.e.*, how different pieces of news impacted the stock price, an examination of contemporaneous assessments (both qualitative and quantitative) as to the impact on value.[155] Defendants fail to proffer additional or alternative analyses relevant to loss causation to those contained in the Nettesheim Report.

94. In fact, Ms. Allen's conclusions regarding loss causation in this matter rest heavily on the opinions of analysts and news commentators during the Class Period. For example, on page 21 of her report she cites three analyst reports and one news commentator in support of her conclusions regarding the October 25, 2000 disclosures:

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155. Nettesheim Report, ¶81.

> The fact that analysts attributed the Engineering & Construction segment's difficulties not to any failure to achieve the benefits of the merger with Dresser, but to industry conditions that were unanticipated at the time of the merger and were of unknown duration demonstrates that the disclosure of these problems is unrelated to the alleged fraud, and, as such, caused no losses.[156]

Similarly, Ms. Allen has relied on analysts' opinions in assessing loss causation in other recent securities litigation.[157]

C. The Curative Disclosures Have Been Adequately "Linked" to the Alleged Misrepresentations

95. Defendants and Ms. Allen argue that the curative disclosures identified in the Nettesheim Report are not curative of the alleged disclosures because I "made no effort whatsoever to actually link later disclosures to specific prior statements."[158] As discussed herein, in the

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156. *See also, e.g.*, Allen Report, pp. 23–24, citing CIBC World Markets and Merrill Lynch reports regarding the October 5, 1999 disclosures; Allen Report, p. 27, citing CIBC World Markets report regarding the December 21–22, 2000 disclosures.

157. *See, Jerry Ryan, et al. v. Flowserve Corporation, et al.*, Civil Action No. 3:03-CV-1769-B ECF, United States District Court for the Northern District of Texas, Dallas Division, 2007 U.S. Dist. LEXIS 83824, Decided and Filed November 13, 2007.

158. Defendants' Motion, pp. 13–14. *See also*, Allen Report, p. 17.

Nettesheim Report, and in my deposition testimony, I tie each of the curative disclosures to specific allegations in this matter.[159] My analysis demonstrates that significant declines in Halliburton's stock price were caused by the corrective disclosures pertaining to the allegations and not by unrelated information.

D. Alleged Misstatements Inflated Halliburton Stock is Adequately Demonstrated by the Decline in the Price of Halliburton Stock upon Partial Corrective Disclosures

96. Ms. Allen argues that "on 20 of the 22 alleged misstatement dates in the Complaint, [my] event study results are not consistent with an increase in alleged inflation in Halliburton's stock price."[160] It is not necessary that disclosures by Defendants that Plaintiffs allege were false or misleading are associated with statistically significant stock price returns. It is sufficient if the misstatements or omissions fraudulently propped up Halliburton's stock price.

E. Ms. Allen's Analysis of Loss Causation for Halliburton "Peer" McDermott is Misleading, Erroneous and Irrelevant

97. Ms. Allen claims to have applied the "same steps" used in my analysis to McDermott and concludes her analysis "yields loss causation." This leads her to conclude

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159. *See, e.g.*, Nettesheim Deposition, pp. 110:7–111:5.

160. Allen Report, pp. 41–44.

that my test for loss causation is not reliable because "regardless of the underlying condition under study, it yields a positive result."[161]

98. Ms. Allen's exercise makes no sense, particularly given that she is assuming that any negative information regarding McDermott's marine construction business is a partial corrective disclosure. Rather than assume that negative news about Halliburton's E&C business is a corrective disclosure, I analyzed the news to determine whether it relates to the failed Dresser merger or problems with long-term, fixed-price contracts. Because of the absence of allegations regarding McDermott's marine construction business, her conclusions are meaningless. Using a nonsensical methodology (which is not my methodology, as discussed below) she concludes that there are dates during the Class Period in this matter where McDermott's stock price declined significantly upon negative disclosures related to McDermott's marine construction business. This merely demonstrates that when bad news came out, McDermott's stock price went down—it says nothing to loss causation. If, in her hypothetical example, Ms. Allen assumed that the information disclosed on these "bad news dates" was information that McDermott should have disclosed earlier in the Class Period (which she does not), then, possibly, she has analyzed loss causation for such allegations. But a finding of loss causation under this assumption would be consistent with and supportive of my methodology.

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161. Allen Report, p. 45.

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99. The methodology applied by Ms. Allen is not the methodology I applied in the Nettesheim Report. The methods used in my analysis (including, but not limited to, the control period, the Class Period, the market and industry indices, and the analysis of news and stock prices movements surrounding particular events to determine whether negative news relates to the allegations in the Complaint) were designed specifically for the allegations against Halliburton in this matter. They are not transferable, as Ms. Allen suggests, to a meaningless analysis of another company for which there are no allegations. If one were to analyze loss causation for another company with another set of allegations, in order to replicate my methodology, one would follow the same steps, but the results of these steps would inevitably be very different.

100. For example, contrary to Ms. Allen's suggestion, there is no evidence that the appropriate industry index for McDermott is the same as the industry index I use for Halliburton. I conducted a rigorous analysis to determine the most appropriate industry index for Halliburton.[162] Also, Ms. Allen uses the same control period as I use for Halliburton. The control period I use was chosen because of reasons specific to Halliburton and the allegations in this matter[163] and are not necessarily appropriate for Ms.

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162. *See*, Appendix to Nettesheim Report, ¶¶6–8.

163. Appendix to Nettesheim Report, ¶3:

> In this case, I used a control period from October 1, 1998 through September 30, 1999. This is a one-year

Allen's hypothetical McDermott case.[164] Moreover, Ms. Allen fails to apply any economic theory to her analysis—this contradicts statements elsewhere in her report.[165]

/s/
Jane D. Nettesheim

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period that begins shortly after the Dresser Merger, and overlaps approximately the first four months of the Class Period. The control period is typically a one-year period that occurs prior to the start of the Class Period. However, in this case, the control period must start after the Dresser Merger in order to reflect the stock price of the combined companies.

164. I also note that the table presented on page 47 of the Allen report that is labeled "Results of Nettesheim Loss Causation Analysis for Halliburton" which she cites to paragraph 45 of Nettesheim Report contains the results from my analysis of *Cammer/Unger/Bell* Factor 5, not the results from my analysis of loss causation.

165. In her report, Ms. Allen asserts that one must apply economic theory to an industry index (pp. 12–13) which would seem to be relevant to a loss causation argument.

APPENDIX F — SUPPLEMENTAL EXPERT REPORT OF LUCY P. ALLEN, UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, DATED JANUARY 18, 2008

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

No 3:02-CV-1152-M

THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al.,

Plaintiffs,

v.

HALLIBURTON COMPANY, et al.,

Defendant.

Supplemental Expert Report of Lucy P. Allen

January 18, 2008

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[TABLE INTENTIONALLY OMITTED]

I. SCOPE OF ASSIGNMENT

We were asked by Counsel for Halliburton Co. ("Halliburton") in *Archdiocese of Milwaukee Supporting*

Fund, Inc., et al. v. *Halliburton Company, et al.* to review and comment on the Rebuttal Report of Jane D. Nettesheim ("Nettesheim Rebuttal") as well as Plaintiff's Opposition to Motion to Strike Expert Report of Jane Nettesheim and Plaintiff's Motion to Strike the Expert Report of Lucy Allen.

II. SUMMARY OF FINDINGS

Ms. Nettesheim's Rebuttal Report and Plaintiff's briefs fail to address any of the issues that were raised in my first report in this matter, dated November 16, 2007 ("First Allen Report").

Ms. Nettesheim has provided no evidence to support the claim that the alleged misrepresentations inflated Halliburton's stock price. According to her analysis, there is no statistically significant price increase during the alleged class period at the time of the alleged misrepresentations that can be tied to the misrepresentations.

Ms. Nettesheim's only evidence that the price was inflated is that Halliburton's stock price allegedly declined in a statistically significant manner and did so because of a partial corrective disclosure of the alleged fraud. Yet both parts of Ms. Nettesheim's analysis are erroneous and unreliable, i.e., she has failed to show that the price decline is statistically significant and has failed to show that the reason for the decline was a corrective disclosure of the alleged fraud.

On each alleged curative disclosure, Ms. Nettesheim failed to make a reliable link between the alleged price decline and a specific allegation.

There is virtually no analyst or other market commentary on any of Ms. Nettesheim's dates of alleged curative disclosures that discusses a revelation related to any of the allegations.

III. QUALIFICATIONS AND REMUNERATION

My qualifications and remuneration were set forth in the First Allen Report.

IV. MATERIALS CONSIDERED

In preparing this report, we considered the following materials in addition to what was considered for the First Allen Report:

- Lead Plaintiff's Opposition to Motion to Strike Expert Report of Jane Nettesheim ("Opp Mot Strk Nettesheim");
- Lead Plaintiff's Motion to Strike the Expert Report of Lucy Allen and Incorporated Memorandum of Points and Authorities ("Mot Strk Allen");
- Lead Plaintiff's Reply in Support of its Motion for Class Certification;
- Appendix of Lead Plaintiff's Reply in Support for its Motion for Class Certification, Motion to

Strike the Expert Report of Lucy Allen, and Opposition to Motion to Strike Expert Report of Jane Nettesheim, including the Rebuttal Report of Jane D. Nettesheim ("Nettesheim Rebuttal") and materials cited in it;

- Defendants' Response to Lead Plaintiff's Motion for Class Certification;

- Defendants' Joint Motion to Strike the Report of Jane Nettesheim;

- Transcript of deposition of Lucy Allen in this matter;

- Expert reports, declarations and court opinions in *In re: Homestore, Inc. Securities Litigation ("Homestore"), In Re Vivendi Universal, S.A. Securities Litigation ("Vivendi"), In re: WorldCom, Inc. Securities Litigation ("WorldCom"), In re Enron Corporation Securities Litigation ("Enron");*

- Files and documents provided by Ms. Nettesheim;

- Analyst reports and other market commentary on Halliburton, and issues related to Halliburton and its industry;

- Stock prices and indexes information from FactSet Research Systems, Inc. and Bloomberg L.P.; and

- Textbooks and academic literature on statistics.

Appendix F

V. MS. NETTESHEIM FAILS TO ADDRESS THE ISSUES IDENTIFIED IN THE FIRST ALLEN REPORT

A. Overview

Ms. Nettesheim's Rebuttal Report and Plaintiff's briefs fail to address any of the issues that were raised in the First Allen Report.

Ms. Nettesheim has provided no evidence to support the claim that the alleged misrepresentations inflated Halliburton's stock price. According to her analysis, there is no statistically significant price increase during the alleged class period at the time of the alleged misrepresentations that can be tied to the misrepresentations. Her conclusion that the stock was inflated as a result of the alleged misrepresentations is contradicted by her statistical results which fail to tie any statistically significant price increase to any alleged misrepresentation.

Ms. Nettesheim's only evidence that the price was inflated is that the price allegedly declined in a statistically significant manner and did so because of a partial curative disclosure of the alleged fraud. Yet both parts of this analysis are erroneous and unreliable: i.e., she has failed to show that the price decline is statistically significant and she has failed to show that the reason for the decline was a curative disclosure of the alleged fraud.

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Her statistical tests are not valid and do not reliably test whether there is a statistically significant price movement on the dates of alleged curative disclosures. She presents no valid statistical evidence that the movements in Halliburton's stock price during the alleged class period are different from the movements during her control period. She has failed to show that any more days during the class period are statistically significant than would be expected if there were no fraud-related news events.

Ms. Nettesheim's statistical tests and event study analysis are neither reliable nor consistent with accepted methods. They are not consistent with the academic literature she originally cited and they are not consistent with, and, in fact, are directly contradicted by, the literature she and Plaintiff cite in their new reports and briefs. For example, the cited academic literature consistently indicates that the identification of a relevant event comes before the type of statistical test Ms. Nettesheim attempted to conduct.

Ms. Nettesheim has failed to present any reliable evidence that the reason for the alleged stock price decline was a curative disclosure of the alleged fraud. Plaintiff in this matter alleges three categories of allegations:

1. "severe but undisclosed problems associated with the acquisition and integration of Dresser" (herein, integration of Dresser);

2. "improper booking of unapproved claims as revenue" (herein, unapproved claims); and

3. "knowingly inadequate reserves for asbestos liability" (herein, asbestos reserves).[1]

For each alleged curative disclosure, Ms. Nettesheim fails to make a reliable link between the alleged price decline and a specific allegation. The Nettesheim analysis erroneously combines the first two categories and treated them both as being synonymous with the engineering and construction (E&C) business. More problematic than failing to treat the allegations separately is the fact that neither category of allegation is synonymous with E&C. There can be problems with Halliburton's E&C that are not caused by or related to the accounting for unapproved claims. And there can be problems with Halliburton's E&C business that are not caused by problems associated with the acquisition and integration of Dresser.

Not only has Ms. Nettesheim failed to show that the alleged curative disclosures are curative of the alleged fraud, she has failed to show that they are due to Halliburton-specific problems with E&C, rather than changes in the E&C industry overall. Ms. Nettesheim claims that she has controlled for movements in Halliburton's industry so that all observed excess returns cannot be due to changes in the E&C industry overall. The fact that her analysis and industry index fail to adequately control for changes in the E&C industry is clear, however, from a simple review of her index and market commentary during this period. According to market commentary, the period from the beginning of the alleged class

1. Plaintiff's Motion, p. 3.

period through the middle of 2001 was a difficult time for the E&C industry. We have plotted alternative E&C industry indexes, all of which are consistent with the market commentary and show a general decline over this period. Ms. Nettesheim's industry index, which she claims controls for this trend, is completely inconsistent with both the E&C indexes and the market commentary; her index is going up over this time period while the E&C indexes and the E&C market according to commentary are declining. If her index is her only control and it is not consistent with the overall movement in the E&C industry, she cannot be adequately testing whether Halliburton's decline is due to overall changes in the E&C industry or problems specific to Halliburton. Moreover, she needs to do more than prove that the decline is unrelated to the E&C industry overall; she needs to prove that the decline is caused by the revelation of the truth concerning specific prior misrepresentations alleged in this case. She fails to do so.

Similarly, Ms. Nettesheim fails to show that the alleged curative asbestos-related disclosures are curative of the alleged fraud related to the asbestos allegations. Furthermore, Ms. Nettesheim fails to control for changes in the asbestos litigation environment. There is abundant evidence that the asbestos litigation environment in general changed from the beginning of the alleged class period to the end of the alleged class period.

Ms. Nettesheim's conclusion that Halliburton's price declines during the alleged class period are caused by revelations of the alleged fraud is further belied by the

analyst and other market commentary. There is virtually no analyst or other market commentary on any of her dates of alleged curative disclosure dates that discusses a revelation of any of the alleged misrepresentations. For example, there is no discussion in any analyst or other market commentary that new information regarding the accounting for unapproved claims has been learned by the market or that the prior understanding of the accounting for unapproved claims has been corrected. Further, no evidence has been presented that any analyst or market commentary on the dates of any of the alleged curative disclosures suggested any falsity in any prior statements that the company had made about asbestos, asbestos reserves, or the integration of Dresser.

B. "Summary of Opinions" Section of Ms. Nettesheim's Rebuttal Report

Ms. Nettesheim's Rebuttal Report has a section entitled "Summary of Opinions." In the table below we list all the bullet points Ms. Nettesheim included in this section of her report. In particular, in the left column, we list each of Ms. Nettesheim's claims and, in the right column, our response to each claim. (Note that this section addresses only the points listed in the section entitled "Summary of Opinions"; there are other claims that Ms. Nettesheim makes in her Rebuttal Report which are addressed elsewhere in this report or in the First Allen Report.)

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"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
Contrary to Defendants' assertions, the event study methodology used in the Nettesheim Report is appropriate and fully consistent with the standards of my profession:	Not true. See below.
▪ It is the same method I have employed in other securities cases,	▪ She cites two prior reports: it is not the same method as described in one and the other is confidential and was not produced. While the report is unavailable for review, the part cited by the judge does not indicate any analysis of loss causation or discuss an event study at all (See section V.H below.)
▪ it has been accepted by the courts,	▪ The evidence provided contradicts Nettesheim's statement. See section V.H.
▪ and it is recognized in relevant literature.	▪ It is not recognized in any of the literature she cites (or any we could find). (See section V.G.)

Appendix F

"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ My industry index captures the effect of industry trends on Halliburton. Defendants fail to demonstrate that the industry index used in the Nettesheim Report is not appropriate (nor do they suggest a meaningful alternative).	Nettesheim's industry index does not capture the changes in the E&C industry or the asbestos environment during the class period. As used, it cannot test, for example, whether general E&C conditions rather than alleged fraud caused a price decline. Nor can it test whether changes in the asbestos litigation environment caused a price decline. (See section V.C.2.a.)
▪ The fact that approximately 5% of the days during the Class Period are statistically significant is not relevant to determining loss causation—whether there are more than or less than 5% of days with statistically significant stock price changes does not contribute to or detract from the statistical significance of those days.	Nettesheim's discussion of this claim is inconsistent with fundamental statistical principles in hypothesis testing. (See section V.E. 1 below.)

Appendix F

"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
• Allen erroneously claims I purported to distinguish between news and non-news days. Allen's assertion that Halliburton's stock price reaction on "news days" is no different than its reaction on "non-news days" is unfounded because, among other reasons, her classification of news days and non-news days is flawed and her statements regarding fundamental concepts of statistical significance are erroneous.	A proper test of whether a company's stock price reacts to news would entail some control. Nettesheim did not distinguish between news days from non-news days to test her hypothesis that the stock reacts to news. Nettesheim claimed the stock reacted to material new information, but if she failed to identify the new information days first and merely looked to the days of reactions (as her report indicates), this method fails scientific reliability standards.[2]

2. For example, the *Polymedica* court endorsed the testimony of an expert that said that searching for the largest price drops to analyze market efficiency is not a scientific study and that a statistical comparison between news-days and non-news-days should have been performed instead. The court order reads as follows:

"Dunbar [the expert] testified:

> [Y]ou went and searched for the largest price drops. That's not a scientific study. A scientific study is one where you draw a sample and then you compare a

> test statistic from that sample to another sample .... All you did was went and picked the largest stock price drops and said, oh, gee, that just shows that it's informationally efficient. You picked five days out of about 160 trading days. What you should do is look at all 160 trading days and do a scientific study to see if there's a difference between the news days and the non-news days. And if you would have done that you would have found that there wasn't any difference between them.
> ....
>
> [I]f you picked news days as a sample, all news days, not just the ones you self selected. I mean, you selected the few news days that would prove your point. But there's many other news days in that contested period, anywhere from 23 to 59, versus [sic] on how you want to count them. If you want to look at what the stock price reaction is on those news days versus the non-news days, you'll find that you can't say that the news days were drawn from a different sample than the non-news days. In other words, they were providing as much information to the market as the non-news days.

Evid. Hr'g at 22-23. The Court endorses this criticism." [Polymedica Order, p. 14-15]

The *Polymedica* court order also states the following:

> "*Cf. Lehocky*, 220 F.R.D. at 506 (comparing news days with non-news days using "sophisticated statistical tests" ...). It is not sufficient simply to report movement on significant news days. To approach usefulness, an analysis should statistically compare all news days with all non-news days. *See Kumho Tire Co. Ltd. v. Carmichael*, 526 U.S. 137, 141 (1999) (explaining that an expert's testimony must be "relevant to the task at hand") (quoting *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 597 (1993))" [Polymedica Order, p. 15]

Appendix F

"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ Allen misleadingly claims that my market index analysis is not replicable when the alleged discrepancies are not only immaterial, but, in fact, *de minimis*, and are the result, not of an error in my analysis, but rather a change by a third party data provider of the price of some stocks other than Halliburton during the Class Period.	Allen claims the market index is not identifiable. CRSP, Nettesheim's alleged data provider, was unable to identify her data. The differences in the market index are not *de minimis:* 40% of the days during the class period have returns that differ by more than 5% between the two data sets. Nettesheim's claim that this difference is the result of the data provider changing the price of stocks is unsupported and unbelievable.[3]

3. See section V.I.2.

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"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ The control period used in the Nettesheim Report is more "robust" than that suggested by Allen, and is better suited for identifying dates of significant stock price movements during the Class Period.	The point is not whether the control period is robust; the point is that her findings are not robust or reliable. A change in the control period changes her findings substantially (9 out of 11 of her alleged curative disclosures are no longer significant).[4] Contrary to her claims, the academic literature Plaintiff cites supports the Allen alternative period and does not support her period.[5]

4. See First Allen Report, p. 13-14.

5. Plaintiff's cite from the Tabak and Dunbar article does not support Ms. Nettesheim's control period:

> In securities fraud cases, estimations [control] windows are often placed before the beginning of the alleged class period, ... **so that the estimation window would cover a "clean" period that could not have been tainted by any alleged stock price inflation.** [Mot Strk Allen p. 10, emphasis added]

This cite does not support Nettesheim's choice of control period because (a) the Nettesheim control period overlaps with the alleged

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class period and therefore it is allegedly tainted by inflation according to Plaintiff, and (b) the portion of the Nettesheim control period that precedes the alleged class period is also allegedly tainted by inflation according to Plaintiff (Plaintiff is not seeking damages in relation to that period because claims relating to that period are time-barred.)

Also, note the Allen alternative control period is consistent with the Tabak and Dunbar article, which says:

> There are three general choices for the placement of an estimation [control] window: before the event window, surrounding the event window, or after the event window. [Tabak, David I. and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," National Economics Research Associates, Working Paper #34. April 1999, p. 9]

The Marais and Schipper article cited by Ms. Nettesheim contradicts the Nettesheim control period:

> Analysts also cannot include returns during a period of alleged fraud [in their control period]. [p. 17A-21]

The Marais and Schipper article cited by Ms. Nettesheim supports the Allen alternative control or estimation period:

> **Estimation period** ....: Time period ... over which returns are taken to estimate the parameters of the market model or augmented market model; can include returns before the event period, after the event period, or both. [p. 17A-23]

Appendix F

"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
Loss causation has been established for each of the allegations in this matter. ▪ Allen mischaracterizes my methodology	Her response appears to be that she read the Complaint and understood the allegations before conducting her statistical analysis.
▪ The Nettesheim Report addresses each of the three categories of allegations identified by Defendants	Her report does not *separately* address each of the categories and is overly broad in their treatment.[6]

6. For example, the Nettesheim Report claims that much of the negative news around the alleged October 25, 2000 curative disclosure related to problems with E&C and, from this, concluded that a significant portion of the price decline is due to Halliburton's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger, and attributes both to the news about E&C problems.

This is an instance where the Company released negative news ... A significant portion of the negative news, as attributed to the Company, in news reports and by analysts, was related to the problems with the engineering and construction units that Lead Plaintiff alleges could have been and should have been revealed earlier. Thus, a significant portion of the stock price decline on October 25, 2000 was related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged in the Complaint. [Nettesheim Report ¶93]

Appendix F

"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ The misrepresentations and omissions have been adequately tied to the curative disclosures.	Any stock price decline with news which mentions asbestos, E&C, fixed price contracts or cost overruns is "adequately tied" according to Nettesheim.[7]

For example, regarding the asbestos allegations, Ms. Nettesheim testified as follows:

> Q. So in your mind, this news release on June 28, 2001, was that a partial disclosure of, or is it, again, all of the company's prior statements about asbestos?
>
> A. It relates to the allegations regarding the under reserving of the asbestos reliability [sic].
>
> Q. How does it relate?
>
> A. It is talking about asbestos claims and the potential asbestos liability of Halliburton.
>
> Q. And that's a sufficient link in your mind?
>
> A. Yes. [Nettesheim Deposition, p. 124]

7. Ms. Nettesheim's testimony regarding fixed price contracts:

> Q. If there is a disclosure of bad news that in any way, shape or form relates to fixed price contracts, then it relates to the allegations about unapproved claims, correct?

A. Yes, in this case I did [sic]. [Nettesheim Deposition, p. 181]

Ms. Nettesheim's testimony regarding E&C:

Q. In your mind, is this one piece of information or multiple pieces of information contained in Exhibit number 4?

A. Well, I think it is referring generally to the restructuring and to the charges. It refers to generally the engineering and construction projects ...

A. There is - well, there is - I mean, generally, it contains information about the engineering and construction business. And it gives you some information about that business. [Nettesheim Deposition, p. 125-126]

Ms. Nettesheim's testimony regarding asbestos:

Q. So in your mind, this news release on June 28, 2001, was that a partial disclosure of, or is it, again, all of the company's prior statements about asbestos?

A. It relates to the allegations regarding the under reserving of the asbestos reliability [sic].

Q. How does it relate?

A. It is talking about asbestos claims and the potential asbestos liability of Halliburton.

Q. And that's a sufficient link in your mind?

A. Yes. [Nettesheim Deposition, p. 124]

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Ms. Nettesheim's report regarding E&C:

> As there was no other negative news released that day, all of the price decline ... was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged by Lead Plaintiff [Nettesheim Report ¶112].

Ms. Nettesheim's testimony regarding cost overruns:

> Q. And on this same issue, in your mind, this is a corrective disclosure or partial corrective disclosure of what statements made by Halliburton?
>
> A. This is related to the - what's generally called the unapproved claims or the cost overruns in the engineering and construction units. [Nettesheim Deposition p. 130]

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"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ Each news item mentioned by Defendants as non-culpable on a date of a curative disclosure is misleading, immaterial to company-specific movement in Halliburton's stock, and/or unrepresentative of the overall market consensus.	Nettesheim's criticism is unfounded. Nettesheim's method of analyzing the cause of price movements is not replicable, is not based on accepted methods, applies faulty logic and is unreliable.[8]

8. See sections V.C, V.D, V.E, V.F and V.G in this report and sections VII, VIII, IX, X, XI, and XII in the First Allen Report.

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"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ Loss causation is demonstrated by the decline in Halliburton's stock price upon the partial corrective disclosures during the Class Period. The absence of statistically significant stock price increases upon each date of a misrepresentation or omission is not unexpected and does not undermine my conclusion that Halliburton's stock price was inflated during the Class Period.	She appears to have concluded that the price was inflated at the beginning of the class period because the price declined at the alleged curative disclosures. She does not reconcile the fact that according to her analysis the price does not go up at the alleged misrepresentations yet goes down at the alleged curative disclosures. Rather than prove that the stock is inflated, her event study analysis indicates that there is no inflation from the alleged misrepresentations.[9]

9. See First Allen Report, p. 41-45 and section V.D of this report.

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"Summary of Opinions" Section of Nettesheim Rebuttal Report	
Nettesheim claim:	**Response:**
▪ Allen's analysis of loss causation for Halliburton peer McDermott International, Inc. is misleading, erroneous and irrelevant. Without any reasonable assumptions regarding allegations concerning McDermott, she has no basis for her conclusions regarding loss causation.	Exactly. The same can be said of the Nettesheim analysis of Halliburton (and, in fact, was said in the First Allen Report). See section V.F.2 below.

C. Ms. Nettesheim Does Not Prove Loss Causation for Any of the Allegations

1. Ms. Nettesheim's alleged curative disclosures are not curative of the alleged misrepresentations

Ms. Nettesheim does not describe how her alleged curative disclosures are, in fact, curative of the alleged misrepresentations in this case. Not only is there no demonstrated link in her report or analysis between the alleged misrepresentations and the curative disclosures, but Ms. Nettesheim never attempts to make such a link, apparently not considering this a necessary step in loss causation analysis.[10]

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10. In her deposition, she testified as follows:

> Q. And the reason why, as part of your loss causation analysis, is you're looking at prior statements by the company or officers of the company to identify that the corrective statements that are being identified in your report relates back to a prior statement that was not accurate; is that correct?
>
> A. Well, as I said earlier, I did not link or match up statement by statement earlier statements with the partial disclosures I discussed. [Nettesheim Deposition, p. 164-165]

According to Plaintiff's brief:

> " ... she testified in her deposition that she did not link a particular corrective disclosure to a single misrepresentation .... " [Opp Mot Strk Nettesheim, p. 13]

Indeed, we are unable to determine, for example, which "severe but undisclosed problems associated with the acquisition and integration of Dresser" were revealed on the alleged disclosure dates.[11]

2. Ms. Nettesheim does not prove loss causation for the allegations regarding the integration of Dresser

a. Ms. Nettesheim does not control for changes in the E&C industry

Ms. Nettesheim allegedly analyzes whether Halliburton's stock price declines are related to Halliburton's E&C segment.[12] As discussed below,

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11. See Plaintiff's Motion, p. 3.

12. Ms. Nettesheim's testimony regarding E&C:

> Q. In your mind, is this one piece of information or multiple pieces of information contained in Exhibit number 4?
>
> A. Well, I think it is referring generally to the restructuring and to the charges. It refers to generally the engineering and construction projects.
>
> ...
>
> A. There is - well, there is - I mean, generally, it contains information about the engineering and construction business. And it gives you some information about that business. [Nettesheim Deposition, p. 125-126]

Nettesheim report regarding E&C:

this is not the appropriate test of loss causation for the alleged misrepresentations. Nor is her methodology an appropriate test of whether Halliburton's stock price declines are due to company-specific problems in the engineering and construction business.

Ms. Nettesheim mistakenly claims that, if her industry index does not explain Halliburton's stock price movement on a given date, then any negative news related to Halliburton's E&C segment must be a company-specific problem.[13] Her industry index, however, was not designed to test this hypothesis, as her selection criteria are not based on companies having a substantial E&C segment. The industry index is composed of 52 companies. Of the 4 E&C companies detailed in a Merrill Lynch Engineering & Construction industry report analyzing the Halliburton/Dresser merger,[14] only one company, McDermott International, Inc., was included in Ms. Nettesheim's 52-company industry index.

> As there was no other negative news released that day, all of the price decline ... was caused by the partial disclosures related to the operational problems at the engineering and construction units and is related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged by Lead Plaintiff [Nettesheim Report ¶112].

13. Nettesheim Report, ¶88-92.

14. Merrill Lynch report dated March 13, 1998.

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Ms. Nettesheim claims there is "no index described as engineering and construction that includes Halliburton;"[15] but this does not release her from the burden of controlling for industry movements that are confounding factors in the analysis of Halliburton's stock price changes, such as the movements of the E&C industry. E&C accounted for approximately 30% to *50%* of Halliburton's annual revenues during the alleged class period.[16] Additionally, the construction of an E&C index is perfectly feasible: there are several sources (including analyst reports and financial press) which discuss the E&C industry and its participants.

Ms. Nettesheim in her rebuttal report claims that her industry index adequately controls for the E&C business because it includes 5 companies (in addition to McDermott) that have some E&C component to their business.[17] But these companies account for only 8% of

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15. Nettesheim Rebuttal, ¶21

16. Computed as a ratio of revenues of the E&C segment (including BRES) to total Halliburton revenues for the years 1999-2001 as reported in Halliburton's 10-K for 2001, filed on March 12, 2002. See p. 15 and p. 17. The following are the percent of Halliburton's annual revenues accounted for by its E&C segment: 1999: 52%, 2000: 43%, 2001: 33%.

17. See Nettesheim Rebuttal, ¶24.

> Prior to submitting her rebuttal report, Ms. Nettesheim testified at deposition that she did not know whether the companies in her industry index had any E&C business:

her industry index during the alleged class period and their E&C portion therefore would necessarily account for even less.[18] Although she claims that these companies have E&C business segments based on her review of their business description, we could not find these companies in any list of E&C companies, in contrast to Halliburton, which was contained in numerous lists of E&C companies.

> Ms. Nettesheim criticizes the E&C index shown in the First Allen Report:
>
> Ms. Allen's definition of the E&C industry is based on only three companies identified in one analyst report issued over one year prior to the start of the Class Period. Unlike Ms. Allen, I did not limit my search for comparable companies to a single analyst's report published more than one year prior to the start of the Class Period.[19]

> Q. And were all of the companies in you index as reflected in Exhibit 16 to your report oil services companies?
>
> A. It's our understanding that they are.
>
> Q. Did any of those companies in your index have significant construction operations the way Halliburton did?
>
> A. I don't know specifically what the companies did ... [Nettesheim Deposition p. 21]

18. McDermott accounts for another 1% of her industry index.

19. Nettesheim Rebuttal, ¶24.

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Contrary to Ms. Nettesheim's implication, the Merrill Lynch report is relevant to the allegations she claims to have analyzed. The first paragraph of the report is as follows:

> **Merrill Lynch: Engineering & Construction**
> **Reason for Report: Potential for Changes in E&C Valuation?**
> The pending acquisition of Dresser Industries by Halliburton is undoubtedly a deal driven primarily by issues in the oil services industry. But, in the process, a formidable engineering and construction company ... with $5 billion in revenues has been created and that new company could potentially change the E&C landscape ... [Merrill Lynch. March 13, 1998]

The Merrill Lynch report on the E&C industry addresses expected changes in the E&C industry as a result of the pending Halliburton/Dresser merger. Thus, rather than being a random source for E&C companies, the topic and content of this report is directly relevant to the issues Ms. Nettesheim claims to have analyzed. Ms. Nettesheim claims to analyze allegations related to problems with the integration of Dresser and claims to find Halliburton-specific problems related to the Company's E&C segment as related to the Dresser merger. This report, which Ms. Nettesheim dismissed, describes the expected change in the E&C industry as a result of the Dresser merger. In conducting her loss causation analysis, Ms. Nettesheim, according to her testimony, neither reviewed this report, nor any other material describing the anticipated effect of the merger or any other material

or statement by Halliburton prior to the start of the alleged class period.[20] According to *Fortune* magazine, for the years 1999, 2000 and 2001, Halliburton was the largest E&C company in the country. *(Fortune's* 2000 E&C industry list is attached as Attachment A)

When we plot alternative E&C indexes based on reports published during the alleged class period, we obtain the same result that we obtained with the E&C index in the First Allen Report (the one based on the Merrill Lynch report). In particular, we find that the E&C industry is declining, in sharp contrast to Ms. Nettesheim's industry index, which is rising over the period of alleged E&C-related curative disclosures.

Specifically, a November 24, 1999 CSFB analyst report lists 19 businesses which it characterizes in a table entitled "Engineering and Construction Markets and Participants;" it included M.W. Kellogg and Brown &

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20. Ms. Nettesheim testified at deposition:

> Q. And there were many statements before the class period and you're not attributing to any one of those either, correct?
>
> A. I didn't look at statements before the class period. [Nettesheim Deposition p. 114]

Root (both owned by Halliburton).[21] Additionally, *Fortune* articles produced by Ms. Nettesheim ranked its *Fortune 1000* by industry classification during each year of the alleged class period, 1999-2001.[22] Each of these rankings listed Halliburton as the #1 company in the Engineering and Construction industry classification. None of the 5 companies in Ms. Nettesheim's industry index that Ms. Nettesheim claimed have E&C businesses appear in any of these lists of E&C industry participants, while the companies included in the E&C index in the First Allen Report do appear.

We plotted two additional indexes for the E&C industry based on the Credit Suisse and *Fortune* lists of E&C market participants issued during the alleged class

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21. Credit Suisse First Boston, November 24, 1999, "The Engineering and Construction Monthly". Companies listed in the report are: M.W. Kellogg and Brown & Root (parts of Halliburton), Michael Baker, B E & K, Black & Veatch, Fluor, Foster Wheeler, Granite, ICF Kaiser (ICF Int'l), Jacobs, Kvaerner/John Brown, Lummus (Asea Brown Boveni), Morrison Knudsen, Parsons, Perini, Peter Kiewit Son's Inc., Raytheon, Stone & Webster, Turner.

22. *Fortune*, April 26, 1999, April 17, 2000 and April 16, 2001, "Fortune 1 Thousand Ranked Within Industries." Companies listed in the 2000 article are: Halliburton, Fluor, Centex, Peter Kiewit Sons', Foster Wheeler, Kaufman & Broad Home, Pulte, D.R. Horton, Lennar, Emcor Group, Jacobs Engineering Grp., Champion Enterprises, Morrison Knudsen, Ryland Group, NVR, U.S. Home, Oakwood Homes, MDC Holdings, Toll Brothers, URS, Beazer Homes USA, Comfort Systems USA, Clayton Homes, Granite Construction, IT Group, Stone & Webster, Standard Pacific.

period.[23] In addition, we included *Standard and Poor's 500 Construction & Engineering Index.*[24]

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23. The CSFB index is based on companies listed in the Credit Suisse First Boston report from November 24, 1999 (excluding M.W. Kellogg and Brown & Root of course), which have available price information in the period between the beginning of the alleged class period and the last alleged E&C related disclosure. These companies are: Foster Wheeler, Granite, Jacobs, Michael Baker, Perini, Raytheon, Stone & Webster, and Turner. Fluor, although listed in the analyst report, was excluded because of a spin-off during the alleged class period. (As a check, we also created the index including Fluor while excluding the company's returns on the day of the spin-off. The results are virtually the same.)

The Fortune index is based on companies listed in the Fortune article from April 17, 2000 (excluding Halliburton of course), which have available price information in the period between the beginning of the alleged class period and the last alleged E&C related disclosure. These companies are: Beazer Homes USA, Centex, Champion Enterprises, Clayton Homes, Comfort Systems USA, D.R. Horton, Emcor Group, Foster Wheeler, Granite Construction, Jacobs Engineering Grp/., Lennar, MDC Holdings, NVR, Oakwood Homes, Pulte, Ryland Group, Standard Pacific, Stone & Webster, Toll Brothers, U.S. Home, URS, and IT Group. Fluor, although listed in the article, was excluded because of a spin-off during the alleged class period. (As a check, we also created the index including Fluor while excluding the company's returns on the day of the spin-off. The results are virtually the same.) Similar indexes are obtained based on the companies listed in the April 26, 1999, and April 16, 2001 articles.

24. Over the period graphed, the S&P Construction & Engineering Index contained Foster Wheeler Ltd., Fluor Corp., and McDermott International, Inc.

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As can be seen from the graph below, the Credit Suisse E&C Index, the Fortune E&C Index, and the S&P 500 Construction & Engineering Index yield the same result as that of the E&C Index shown in the First Allen Report. All 4 indexes decline over the period of alleged E&C-related curative disclosures, while Ms. Nettesheim's industry index rises over the same period. Clearly, Ms. Nettesheim's industry index does not capture the general decline in the E&C industry over this time.

Market commentary further contradicts Ms. Nettesheim's claim that her industry index properly controls for changes in the E&C industry.

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During the alleged class period, there is substantial commentary from analysts that E&C companies are generally experiencing weakness. For example, in the period between her alleged curative disclosures regarding E&C, analysts state the following:

> So far this year, HAL shares are up about 31%, reflecting anticipated improvement in industry fundamentals. However, HAL shares have underperformed the Oil Service Index by about 20% so far this year, mainly reflecting a sluggish anticipated recovery in the E&C business. [ABN AMRO, August 31, 2000]

> E&C stock prices end September flat from August but outperform the S&P Industrials, which declined 2.3%...The majority of engineering & construction stocks again saw declines in their share prices in the month of September despite a continuing stream of positive project announcements [Credit Suisse, October 21, 1999]

> The majority of engineering & construction stocks again declined in September, despite a continuing stream of positive project announcements .... The valuations of E&C companies remain depressed on an absolute P/E basis and relative to the S&P Industrials. [Credit Suisse, October 25, 1999]

> Engineering and construction stocks decline [sic] in October, and November has offered

> no relief ... Investing in engineering and construction companies has been a mostly painful experience throughout the past year. [Credit Suisse, November 24, 1999]

For example, October 25, 2000 is one of the dates alleged by Ms. Nettesheim to be a curative disclosure regarding Halliburton's E&C segment. Ms. Nettesheim claims that Halliburton's stock price decline is statistically significant after she controls for industry factors. Analyst commentary following this announcement, however, contradicts her claim. According to an article published by *The Oil Daily* on October 26, 2000, which quotes Simmons & Co.'s analyst Dan Pickering:

> Halliburton is not being punished for poor execution from its engineering and construction unit, but rather for its unfortunate exposure to a currently weak market, Pickering said.

b. Ms. Nettesheim presents no evidence that the price declines on any of the alleged curative disclosure dates are due to problems with the integration of Dresser

Ms. Nettesheim, illogically and without support, conflates news about the E&C business with the alleged problems with the integration of Dresser. While the integration of Dresser could affect E&C, many other factors unrelated to the alleged fraud could do so as well, as indicated by analyst commentary. The existence of general problems with the E&C business does not imply

that there are difficulties with the Dresser integration. Such a link has not been made.

In her rebuttal report, Ms. Nettesheim argues that her analysis adequately links issues regarding the E&C business with Plaintiff's allegations about the integration of Dresser. She states:

> Disclosures of the alleged operational problems related to the integration of Dresser... will inevitably entail discussions of the performance of the E&C unit as a whole. [Nettesheim Rebuttal ¶62]

The logic that this supports her linkage of E&C announcements to allegations regarding the integration of Dresser is incorrect. Even if operational problems related to the integration always entail a discussion of E&C, it is not true that discussions of E&C imply operational problems regarding the integration of Dresser.[25]

In addition, Ms. Nettesheim's rebuttal report offers the following as evidence that she linked the alleged

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25. Moreover, it is not clear why, if operational problems existed with the integration of Dresser, the analysts would discuss E&C as a whole. Halliburton and the analysts who followed the company were often quite specific in discussing the issues affecting the company. For example, an analyst report on December 22, 2000 stated: "Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts." [CIBC World Markets, December 22, 2000]

curative disclosures to the allegations regarding the integration of Dresser:

> Disclosures such as the restructuring of the Company's E&C unit due to "serious operational problems in Halliburton's construction business" (as disclosed on October 24-25, 2000 and December 21-22, 2000) directly relate to the alleged unsuccessful Dresser integration. [Nettesheim Rebuttal ¶62]

We reviewed all of the news articles and analyst reports that Ms. Nettesheim provided for the days following her alleged Dresser-related disclosures (the announcements on October 24-25, 2000 and December 21-22, 2000), and find no mention of:

- "operational problems" (serious or otherwise), or

- integration or merger (in particular, a search of those terms yielded no results).

Ms. Nettesheim does not provide any source for the sentence cited above or any indication of the source of the quoted phrase ("serious operational problems in Halliburton's construction business"). Moreover, this is the only sentence that she provides as evidence of a disclosure during the alleged class period in the whole subsection discussing loss causation entitled "The Dresser Integration and E&C." We found no evidence of such a quote in market commentary on the days of Ms. Nettesheim's alleged curative disclosures or any

of the days in the following calendar week. We found a very similar sentence in the Complaint where it is an allegation, not a quote.[26] Ms. Nettesheim mischaracterizes the allegation of "serious operational problems" above as a curative disclosure.

3. Ms. Nettesheim does not prove loss causation for the allegations regarding the accounting of unapproved claims

Ms. Nettesheim does not prove loss causation for the allegations regarding the accounting of unapproved claims. Plaintiff alleges that, "Halliburton had secretly changed the way it was accounting for Unapproved Claims on construction contracts and was now recognizing them as revenue when the claims were asserted ..."[27] Further, Plaintiff alleges that, "By including the unapproved claims in the Company's reported revenue, profit and margins were more favorable than they would have been if the accounting policy had not been changed."[28]

Ms. Nettesheim testified that if a disclosure was in any way related to fixed-price contracts, then she considered it related to the allegations regarding unapproved claims:

> Q. If there is a disclosure of bad news that in any way, shape or form relates to fixed price

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26. See Complaint ¶30 which uses the same phrase as the one quoted in Nettesheim Rebuttal Report as an allegation with the variation that in the Complaint the word business is plural.

27. Complaint, ¶42d.

28. Plaintiff's Motion, p. 5.

> contracts, then it relates to the allegations about unapproved claims, correct?
>
> A. Yes, in this case I did [sic]. [Nettesheim Deposition, p. 181]

An announcement of information that could have some connection to an alleged misrepresentation is not proof of loss causation. Clearly, not all information related to fixed-price contracts is necessarily related to Plaintiff's allegations regarding booking of unapproved claims.

a. The alleged curative disclosures are not curative of alleged misrepresentations regarding the booking of unapproved claims

In her first report, Ms. Nettesheim states:

> The following events [October 5, 1999, January 5, 2000, October 25, 2000 and December 22, 2000] are examples of information disclosed during the Class Period that brought, in part, investors' perceptions of the Company's financial condition related to its booking of unapproved claims on fixed-price contracts and the benefits from the Dresser merger more in-line with its alleged true condition at that time.[29]

In her rebuttal report, Ms. Nettesheim alleges that three of the listed alleged curative disclosures (January

29. Nettesheim Report, ¶83.

5, 2000, October 25, 2000 and December 22, 2000) are curative of the alleged misrepresentations regarding the booking of unapproved claims.[30] We find that on none of these alleged curative disclosures dates were the alleged misrepresentations regarding unapproved claims revealed.

January 5, 2000

Although Ms. Nettesheim concludes that January 5, 2000 was a curative disclosure of the allegations regarding unapproved claims, she presents no evidence that supports her conclusion. Regarding January 5, 2000, Ms. Nettesheim claims:

> On Wednesday, January 5, 2000, Halliburton made a partial disclosure related to the Company's booking of unapproved claims on fixed-price contracts and the lack of benefits realized from the Dresser merger as revealed in a conversation with analyst Carol Lau with Brown Brothers Harriman & Co. [Nettesheim Report, ¶88.]

Contrary to Ms. Nettesheim's finding, this report reveals absolutely no information regarding the booking of unapproved claims on fixed-price contracts, and Ms. Nettesheim offers no support for her conclusion that the price decline is cause by the disclosure of the allegations

30. Nettesheim Rebuttal, ¶76-79.

regarding the booking of unapproved claims.[31] Plaintiff claims that Ms. Nettesheim has conducted a post-mortem analysis of the cause of the price reaction on this date.

> January 5, 2000 ... While she considered analyst reports, she also looked behind the Brown Brothers Harriman & Co. report to analyze the changes in the earnings per share estimate for different segments of Halliburton's business, and to determine which part of the news had most effect on the analyst's model and Halliburton's stock price. This is precisely the type of "post-mortem" analysis endorsed by *Allegiance*. [Opp Mot Strk Nettesheim, p. 17-18]

If Ms. Nettesheim did "look behind" the Brown Brother Harriman report, she has provided no information about what she found. Contrary to Plaintiff's implication, there is no analysis of the analyst report; the numbers presented in Ms. Nettesheim's expert report are merely a recitation of the numbers in the analyst report.[32]

In Ms. Nettesheim's rebuttal report, she responds to our finding that the analyst reports on January 5, 2000 reveal "absolutely no information regarding the booking of unapproved claims on fixed-price contracts."

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31. We can find no indication in the Nettesheim Report, or in any of the materials referenced by Ms. Nettesheim, what was revealed by Halliburton to Carol Lau in the referenced conversation.

32. Nettesheim Report, ¶88.

Her response is that the content of these analyst reports proves loss causation because they "reveal, in part, the true state of the Company's operating income."[33] It is our understanding, however, that the *Flowserve* court rejected this "true financial condition" theory. The Flowserve court ruled:

> [t]he more serious shortcoming, however, is the use of Plaintiffs' expert of the "true financial condition" theory ... In effect, Plaintiffs' expert leads the Court to a dangerous precipice. Under his logic, the relatedness tests set forth in *Dura* and *Greenberg* are optional. Rather than follow precedent, a plaintiff, like here, with debatable evidence of fraud can pick the largest stock drop irrespective of the actual reason and still relate the fraud because the stock drop is nevertheless a revelation of the company's true financial health.[34]

October 25, 2000

With regard to October 25, 2000, Ms. Nettesheim states:[35]

> After market close on October 24, 2000, while announcing its third quarter earnings

33. Nettesheim Rebuttal, ¶77.

34. *Ryan v. Flowserve Corp., et al.*, No. 03-CV-1769-B (ND Tex. Nov. 13, 2007), p. 23-24.

35. Nettesheim Report, ¶93.

> release, the Company made a partial disclosure concerning the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger. ... A significant portion of the negative news, as attributed to the Company, in news reports and by analysts, was related to the problems with the engineering and construction units that Lead Plaintiff alleges could have been and should have been revealed earlier. Thus, a significant portion of the stock price decline on October 25,2000 was related to the Company's booking unapproved claims on fixed-price contracts and lack of benefits from the Dresser merger alleged in the Complaint.

Ms. Nettesheim's logic is flawed. Ms. Nettesheim claims that if she finds that a price decline is related to E&C, then it is a curative disclosure of the company's booking of unapproved claims. There is no basis for her conclusion that E&C, a major segment of Halliburton's business, is synonymous with the allegations regarding unapproved claims. We found no evidence of a curative disclosure of the allegations regarding the booking of unapproved claims on October 25, 2000.

December 22, 2000

With regard to December 22, 2000, Ms. Nettesheim states:[36]

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36. Nettesheim Report, fn. 61.

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> The charges for cost overruns that were announced in December 2000 make clear that the problems in the engineering and construction were related to the large, fixed-price contracts and, therefore, the negative news on October 24 and 25, 2000, is a partial disclosure related to the Company's booking unapproved claims on fixed-price contracts and the lack of benefits from the Dresser merger alleged in the Complaint.

Ms. Nettesheim claims that if a price decline is related to large fixed-price contracts, then it is a curative disclosure of the allegations regarding booking of unapproved claims.[37] Ms. Nettesheim's analysis makes sense only under the premise that there are no possible problems that can occur with fixed-price contracts other than those related to the booking of unapproved claims. This premise is false, however, because problems with fixed-price contracts can occur independent of how unapproved claims are booked. Further, while analysts discuss cost overruns, they attribute these overruns to changes in market conditions, specifically to labor disturbances in Venezuela and West Africa.[38] In her rebuttal report, Ms. Nettesheim's response to these criticisms is that the allegations regarding unapproved claims "pertain to the undisclosed true probability of such

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37. See section V.C.3.

38. "Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts." [CIBC World Markets, December 22, 2000]

cost overruns and that Halliburton had not disclosed such cost overruns."[39]

b. Risks of cost overruns connected to fixed-price contracts were known by the market before the alleged curative disclosures

Although some of the disclosures alleged by Ms. Nettesheim as being curative relate to fixed-price contracts, we find no indication that they relate to the accounting issue of the booking unapproved claims as revenue. The fact that fixed-price contracts were at risk of cost overruns was known by the market even before the beginning of the alleged class period.

> The company will be undertaking large, lump sum fixed price contracts. The potential for cost overruns, and lower earnings from some of this work, will be an ever-present risk. [Prudential Securities, April 7, 1998]

> Engineering and construction is an inherently risky business, as any number of problems can arise when transforming a project idea into a physical reality .... The segment also began accepting a greater level of project risk by offering gain sharing or fixed price contracts. [Robinson-Humphrey, October 3, 1998]

> The company will be undertaking large, lump-sum fixed-price contracts. The potential for cost

39. Nettesheim Rebuttal, ¶79.

overruns is an inherent risk of those businesses. [Prudential Securities, October 7, 1998]

c. Ms. Nettesheim's event study analysis shows that there was no statistically significant price reaction to the actual disclosure of the change in accounting for unapproved claims

The alleged disclosures that Ms. Nettesheim claims are curative of the allegations regarding unapproved claims are not, in fact, curative of the allegations. There is, however, an actual curative disclosure of the alleged misrepresentation regarding the accounting of unapproved claims.

On March 14, 2000, the change in Halliburton's accounting practices relating to the booking of revenues related to claims and change orders was disclosed to the market in the company's Form 10-K. This filing included the amounts booked as revenue for claims and change orders for 1998 and 1999.[40]

The Complaint alleges that March 14, 2000 was a partial curative disclosure.[41] Ms. Nettesheim should

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40. See, Halliburton's Form 10-K filed March 14, 2000, p. 34

41. According to the Complaint ¶213: "Halliburton failed to disclose until 3/00, when the Company filed its 99 Form 10-K, that the Unapproved Claims on its [engineering, procurement and commissions] contracts were, in fact, being recognized as revenue before the customer had agreed to pay them and were, thus, a component of the Company's earnings."

have used an event study analysis to test the stock price reaction on this date rather than on the four dates on which no curative information was released. While her report does not specifically address this date, Ms. Nettesheim's event study analysis found no statistically significant price reaction on March 14, 2000, an actual curative disclosure of the unapproved claims allegations.[42]

4. Ms. Nettesheim does not prove loss causation for the asbestos reserves allegations

a. Ms. Nettesheim's loss causation analysis does not control for changes in the asbestos litigation environment

There is abundant evidence that the asbestos litigation environment in general changed from the beginning of the alleged class period to the end of the alleged class period. For example, a *Financial Times* article in January 2001 states:[43]

> Although asbestos-related problems for companies date back more than four decades, the issue and its effects have returned with court decisions in the past year. Unexpectedly large verdicts against asbestos defendants in the first half of last year helped raise the bar for liability claims.

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42. See First Allen Report, p. 32-33.

43. Bowe, Christopher. "Companies & Finance, The Americas - USG Takes Charge on Asbestos Litigation." *Financial Times*, January 12, 2001.

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A September 2001 article in the insurance publication Best's Review described the changes in the asbestos environment as follows:[44]

> During 2000 and the first half of 2001, there has been a significant increase in the expectation of future payments for the defendants involved in asbestos litigation and the insurance companies that provided insurance coverage to them.
> ***
>
> The number of filings made against a number of defendants more than doubled in 2000 as compared to previous years.
> ***
>
> As the resources available to compensate claimants have been depleted due to bankruptcies of defendants, the cost of compensating claimants is being shifted to others. Plaintiff lawyers, in an effort to procure full value for their clients, have been demanding increases in contributions from the solvent companies, and have also cast their net wider to include new defendants.
> ***
>
> Eight companies mired in asbestos litigation have declared bankruptcy in 2000 and the first

44. Bhagavatula, Raji, et al. "Asbestos: A Moving Target." Best's Review, Volume 102, Issue 5. September 1, 2001

> half of 2001, asserting that the court system has ceased to make a fair determination of their asbestos-related liability and that any legislative solution appears unlikely.
> ***
>
> These estimates are significantly higher than estimates made by many experts just a few years ago.
> ***
>
> Individual defendants have experienced significant increases in both the number of claims filed and their average payment per claim, increases far beyond those projected a few years ago.

b. Ms. Nettesheim does not tie the alleged curative disclosures to the allegations

Ms. Nettesheim claims that she adequately tied her alleged curative disclosures to alleged misrepresentations and omissions.

> "The misrepresentations and omissions have been adequately tied to the curative disclosures," [Nettesheim Rebuttal, p. 4]

She has not done that. Asserting alleged curative disclosures are adequately tied is not the same as actually linking them to an alleged misrepresentation. For example, according to Ms. Nettesheim, a mention of

asbestos claims or liability is enough to link an alleged curative disclosure to the alleged fraud.

> A. It relates to the allegations regarding the under reserving of the asbestos reliability [sic].
>
> Q. How does it relate?
>
> A. It is talking about asbestos claims and the potential asbestos liability of Halliburton .
>
> Q. And that's a sufficient link in your mind?
>
> A. Yes. [Nettesheim Deposition p. 124]
>
> And similarly, later on in her deposition, Ms. Nettesheim testified:
>
> A. No. As I said, I did not go back and match this particular disclosure with a prior specific statement. [Nettesheim Deposition p. 138]

Plaintiff admits that Ms. Nettesheim did not link corrective disclosures to specific misrepresentations:

> [S]he testified in her deposition that she did not link a particular corrective disclosure to a single misrepresentation ... [Opp Mot Strk Nettesheim, p. 13]

c. Ms. Nettesheim does not show that the alleged curative disclosures are actually curative of the alleged misrepresentations regarding asbestos reserves

Ms. Nettesheim's loss causation analysis does not take into account the specifics of the allegations regarding asbestos reserves. Plaintiff alleges that the asbestos reserves were misleading, and Ms. Nettesheim claims to determine whether disclosures during the alleged class period were curative of this allegedly misleading information. According to Ms. Nettesheim, however, she does not have an understanding of how Halliburton's asbestos reserves were estimated, nor how the market perceived how the estimation was made.[45]

45.

Q. Let me ask it this way: You understood, did you not, that throughout the class period, or at no time during the class period did Halliburton suggest to the marketplace that its current asbestos reserve was intended to apply to whatever future exposure the company had to asbestos, no matter how far down the road?

A. As I said earlier, I don't have a specific -- I didn't think of it in that way. [Nettesheim Deposition, p. 115-116]

Q. You don't recall seeing the company's description of the asbestos reserves and its methodology for it?

A. I recall looking at it generally, but that wasn't something I was looking at specifically so I don't recall specifically what was said.
* * *

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Without an understanding of what Plaintiff alleges the misrepresentations regarding the asbestos reserves are, what the asbestos reserves represented, and what the market believed the reserves represented, Ms. Nettesheim cannot reliably test whether an announcement about asbestos was a curative disclosure of the alleged misrepresentations regarding asbestos reserves.

At the time of the alleged curative disclosures related to asbestos, analysts and market commentary commented that the asbestos litigation environment is unpredictable and often irrational, as the following two examples illustrate.

> We continue to monitor the situation closely and we recognize the unpredictability and apparent irrationality of the asbestos litigation environment in general. [Salomon Smith Barney, October 31, 2001]

> Results of asbestos litigation have proven to be unpredictable and often irrational. The number of claims submitted to Halliburton doubled in

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Q. And would you agree with me that all of the analysts who were following Halliburton whose reports you saw at least understood that Halliburton was reserving only for pending or open asbestos claims as opposed to whatever the future universe of asbestos claims may be?

A. You would have to show me the specific analyst reports. [Nettesheim Deposition, p. 116-117]

> 2Q01 sequentially, then dropped in the following quarter. Overall, claims have risen in recent years and show no signs of subsiding. Also, while the settlement process tends to produce reasonable and predictable results, venue shopping and unpredictable juries increase the likelihood of occasional large judgments, as recently seen. [Jefferies, December 10, 2001]

Ms. Nettesheim presents no evidence that any analyst or market commentary on the dates of any of the alleged curative disclosures suggested any falsity in any prior statements that the company had previously made about asbestos or asbestos reserves. We conducted a review for such evidence and could not find a single statement that suggested any such falsehood.

D. There is no evidence in Ms. Nettesheim's analysis that the alleged misstatements inflated Halliburton's stock price

Plaintiff alleges that Halliburton made "a series of false and misleading statements that misrepresented the condition and success of Halliburton's business"[46] and that this resulted in "artificial inflation in Halliburton's stock price ... during the Class Period."[47] We reviewed the Complaint for all dates during the alleged class period on which Plaintiff alleges that misstatements were made and thereby allegedly inflated Halliburton's stock price.

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46. Complaint, ¶2.

47. Complaint, ¶3.

We then reviewed Ms. Nettesheim's analysis to determine whether, according to her analysis, the alleged misstatement resulted in a statistically significant increase in Halliburton's stock price. As detailed in the First Allen Report, we found that, according to Ms. Nettesheim's event study analysis, there is no statistically significant stock price increase that can be associated with any of the alleged misstatements in the Complaint.[48]

Ms. Nettesheim in her rebuttal report makes the following statement without any support or further explanation:

> The absence of statistically significant stock price increases upon each date of a misrepresentation or omission is not unexpected and does not undermine my conclusion that Halliburton's stock price was inflated during the Class Period.[49]

It is not clear why Ms. Nettesheim does not see the lack of price movement to the alleged misrepresentations as undermining her conclusions. Plaintiff's claim is that the alleged misrepresentations inflated the price and that the price declined when information curative of the alleged misrepresentations was released to the market. Ms. Nettesheim's own analysis does not support the claim that the price is inflated by the alleged misrepresentations. Ms. Nettesheim nonetheless claims she has proven inflation because she has proven that the stock declined at the

48. See First Allen Report, p. 41-45.

49. Nettesheim Rebuttal, ¶6.

alleged curative disclosures. She offers no explanation as to why the lack of price movement at the time of the misrepresentation is "not unexpected."

E. Ms. Nettesheim's Event Study is Methodologically Flawed and Her Tests of Statistical Significance Are Invalid

In the First Allen Report, we detailed how Ms. Nettesheim's event study is methodologically flawed and her tests of statistical significance are invalid.[50]

Ms. Nettesheim performed an event study as the basis for her claim of having proven loss causation. Her event study, however, is methodologically flawed. Ms. Nettesheim first conducted a hypothesis test (actually, 633 hypothesis tests) to determine whether any of the days during the alleged class period exhibited a statistically significant price reaction. Then, for those days on which she found statistically significant price reactions, she reviewed news and analyst commentary to determine whether they contained news related to the allegations.

This procedure is methodologically flawed because her tests of statistical significance are invalid, and because her news analysis is not at all systematic.

The valid statistical methodology for conducting a hypothesis test is to *first* state a hypothesis to be tested (e.g., whether a particular piece of news has a significant effect on the price), and *then* perform the test. Ms.

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50. First Allen Report, p. 7-15.

Nettesheim inverts the order of these steps by performing a hypothesis test for each day during the alleged class period, thereby invalidating her tests.[51]

51.

Q. What you did was you looked at every day during the class period and then determined which days had statistically significant returns, correct?

A. That's one of the many things that I did.

Q. An alternative approach would have been to look at the dates alleged in the complaint and determine if on those dates there was a statistically significant return?

A. It's not an approach that related to what I was doing. [Nettesheim Deposition p. 41]

A. I did not look at every Halliburton statement during the class period and then look to see whether or not the stock price went up.

Q. Sure. What you did was you looked at the dates in which there was a statistically significant return with a positive or negative, correct?

A. Correct [Nettesheim Deposition p. 75]

Q. So how did you begin trying to ascertain the loss causation aspects of this case?

A. After collecting the data, then we did statistical analyses which entailed forming an industry index, and after several steps, went through to form the industry index and did a regression analysis to

Appendix F

1. Ms. Nettesheim's discussion of the significance at the 95% level is misguided

Ms. Nettesheim states:[52]

> Ms. Allen contends that the number of statistically significant days is 'no more than the number expected' and thus, 'yields no evidence that the stock price declines during the alleged class period are caused by anything other than the normal daily variation in stock price.' This statement is misleading and erroneous.

On the contrary, this statement from the First Allen Report quoted by Ms. Nettesheim is correct. Ms. Nettesheim's discussion of the Allen statement contains no references, academic or otherwise, and is contrary to fundamental statistical theory and principles.

> determine the relationship between Halliburton and the stock returns and returns on a market index, industry index. [Nettesheim Deposition p. 18]
>
> Q. But what you were doing was trying to determine loss causation as opposed to materiality, recognizing that oftentimes there is overlap between these different elements of a fraud claim?
>
> A. I discussed materiality, and I think that in the loss causation section, I looked at events where there were statistically significant company specific returns, but that does not ignore materiality. [Nettesheim Deposition p. 34]

52. Nettesheim Rebuttal, ¶33.

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The test statistic performed by Ms. Nettesheim is conducted at the 95% confidence level.[53] By construction, the 95% confidence level is expected to yield a false positive 5% of the time. In other words, the test statistic used by Ms. Nettesheim is designed so that 5% of the time the test is expected to indicate statistical significance when there is *no* company-specific news of importance to the market (that is, "under the null").[54] If the null is true, meaning, in this case, that there is no company-specific news, then 5% of the time the test will falsely indicate a statistically significant excess return.

The quote on statistical significance in the First Allen Report from the "Reference Guide on Statistics" part of the *Reference Manual on Scientific Evidence,* published by the Federal Judicial Center, confirms this well known and fundamental principle of statistical hypothesis testing:

> **[M]ultiple comparison.** Making several statistical tests on the same data set. Multiple comparisons complicate the interpretation of a *p*-value. For example, if 20 divisions of a company are examined, and one

53. In this section we are discussing statistical significance at the 95% confidence level *as if* Ms. Nettesheim had performed all the rest of her analysis correctly. We have discussed both in the First Allen Report and in this report many other reasons why Ms. Nettesheim's analysis is erroneous and unreliable.

54. Miller, Irwin and Marylees Miller. John E. Freund's Mathematical Statistics with Applications, Seventh Edition, Pearson Prentice Hall, 2004, p. 377.

> division is found to have a disparity "significant" at the 0.05 level, the result is not surprising; indeed, it should be expected under the null hypothesis. [Kaye, David H. and David A. Freedman, "Reference Guide on Statistics", *Reference Manual on Scientific Evidence*, (2000, Federal Judicial Center, Second Edition), p. 166]

Ms. Nettesheim repeats this basic principle of hypothesis testing levels:

> The significance level of a test is the probability of making a decision to reject the null hypothesis when the null hypothesis is actually true (i.e., to make a decision that the residual return was not due to chance when it actually was due to chance). [Nettesheim Rebuttal ¶32]

Yet, Ms. Nettesheim fails to understand the implication of this basic principle to her analysis. Under the null, i.e., when in truth there is no material company-specific news, if the test is performed 633 times, we would expect on average to find that 5% of the time, or approximately 32 times, the price movement is statistically significant even though there is no material news. After performing her test 633 times, Ms. Nettesheim finds 31 statistically significant events, thus, no more than expected in the absence of any material news.

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The introduction to *Multiple Comparisons and Multiple Tests*, a manual on how to perform analyses that involve multiple statistical tests, explains this problem with Ms. Nettesheim's methodology:

> Practically every day, you find in the newspaper or other popular press, some claim of association between a stimulus and outcome, with consequences for health or general welfare of the population at large. Many of these associations are suspect at best, and often do not hold up under scrutiny ...
>
> How do such incorrect conclusions become part of the scientific and popular landscape? While scientists typically fault such things as improper study design and poor data, there is another explanation that is the focus of this book. Data analysts can easily make such incorrect claims when they analyze data from large studies, reporting any test that is "statistically significant" (usually defined as "$p < 0.05$," where "p" denotes "p-value") as a "real" effect. On the surface, this practice seems innocuous. After all, isn't that the rule we learn in statistics classes-to report results where we find "$p < 0.05$" as "real"?
>
> The problem, briefly stated, is that when multiple tests are performed, "$p < 0.05$" outcomes can often occur even when there are no real effects. Historically, the rule was

devised for a single test, with the following logic: if the $p < 0.05$ outcome was observed, then the analyst has two options. He or she can believe that there is no real effect, and that the data are so anomalous that they are within the range of values that would be observed only 1 in 20 samples; or, he or she may choose to believe that the observed effect is real. Because the 1 in 20 chance is relatively small, the common decision is to "reject" the hypothesis of no real effect, and "accept" the conclusion that the effect is real.

This logic breaks down when you consider multiple tests or comparisons in a single study. If you consider 20 or more tests, then you expect at least one "1 in 20" significant outcome, even when none of the effects are real. Thus, there is little protection offered by the "1 in 20" rule, and incorrect claims can result. While problems of faulty study design, bad data, etc., can and do cause faulty conclusions, you should be aware that multiplicity is also a likely cause, especially in large studies where many tests or comparisons are made. Such studies are common, as the following examples indicate.

Further, Ms. Nettesheim erroneously claims that:

Ms. Allen's assertion that one would expect 5% of the days during the Class Period to be

> significant would only be true if the control period is the same as the Class Period. [Nettesheim Rebuttal ¶34]

Ms. Nettesheim's statement is not only contradicted by the quote above from the Federal Judicial Center, but also reveals a deep misunderstanding of both the test she performs and the underpinnings of the event study methodology. Ms. Nettesheim provides no academic citation for her statement.

Contrary to Ms. Nettesheim's claim, it is not necessary that the control period and the alleged class period be the same period for one to expect 5% of the days to be significant even in absence of any fraud. In fact, one of the underpinnings of the event study methodology is that the relationship between Halliburton's stock and the market and industry indexes should be the same over the control period and the alleged class period.

If the relationship between Halliburton's stock and the market and industry indexes is not the same in the control period and the alleged class period, then Ms. Nettesheim's analysis is contrary to the underpinnings of the event study methodology and her results are unreliable. Ms. Nettesheim seems to agree that the relationship should be the same over the control period and the alleged class period for the analysis and results to be reliable.[55]

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55. "It is important to select a control period that is representative of the company during the Class Period and with as little impact as possible from the fraud in determining the normalized relationship between a company's stock price returns and the returns on a market index and an industry index." [Nettesheim Rebuttal, ¶51].

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F. Ms. Nettesheim's Results Are Not Robust or Reliable

1. The fact that Ms. Nettesheim's results change dramatically with a different control period is evidence that her methodology and conclusions are not reliable

The First Allen Report stated that:

> More importantly, this change shows that her results are not robust. Applying the regression results based on this alternative control period, we found that there was no longer any statistically significant price decline on most of Nettesheim's alleged curative disclosure dates. We find that 9 of her 11 alleged curative disclosure dates are not statistically significant if we apply her methodology and simply change the control period from being a one-year period that starts before the alleged class period to a one-year period that starts after the alleged class period. [p. 14]

Ms. Nettesheim responded as follows:

> Ms. Allen contends that my findings are not "robust" based on her analysis of an alternative control period—a one-year period that begins after the Class Period. She is incorrect, my findings are "robust," as demonstrated below, and it is her alternative control period that is arbitrary and irrelevant.

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> It is important to select a control period that is representative of the company during the Class Period and with as little impact as possible from the fraud in determining the normalized relationship between a company's stock price returns and the returns on a market index and an industry index. The control period I used is more highly correlated and representative of Halliburton stock price returns during the Class Period than the control period proposed by Ms. Allen. [Nettesheim Rebuttal, ¶50, 51]

Ms. Nettesheim appears to miss the point made in the First Allen Report. Our point was that her findings are not robust and reliable, not that the later control period is more appropriate.

The evidence Ms. Nettesheim presents in her rebuttal report to address this criticism not only fails to address the criticism, but also undermines Ms. Nettesheim's claim that her results are robust and reliable.

For example, in her response, Ms. Nettesheim performs her analysis using another alternative control period that yields 19 new statistically significant dates,[56] a more than 60% increase in the number of statistically significant days from the analysis in her first report. Ms. Nettesheim offers no explanation as to why this new

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56. Nettesheim Rebuttal, ¶54. Footnote 14 states, "There are 19 additional significant dates using the 2000-2001 control period."

control period would so dramatically affect her findings of statistical significance.[57]

Although Ms. Nettesheim claims that the post-class control period used in the First Allen Report is inappropriate, none of the academic literature she cites supports her claim, and much of it directly contradicts her claim.[58]

Further, Ms. Nettesheim claims that the post-class control period is less suitable in part because Halliburton had restructured its E&C business such that it was a "different company from what it was prior to the class period." Yet, Ms. Nettesheim used her control period (which is entirely pre-restructuring of E&C) to test the movement of Halliburton's stock *after* the company's restructuring of its E&C business. Her argument, therefore, undermines her own choice of control period for

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57. Note that, according to Ms. Nettesheim, her alternative control periods do not, however, change her ultimate conclusion regarding loss causation. As discussed elsewhere in this report, her methodology does not reliably test loss causation.

58. For example, the Marais and Schipper article cited by Ms. Nettesheim states that the control periods, both before and after the event period, can be used. [p. 23] Further, according to Tabak and Dunbar: "There are three general choices for the placement of an estimation window: before the event window, surrounding the event window, and after the event window." [p. 9]

Also, according to the Marais and Schipper article cited by Ms. Nettesheim, "Analysts ... cannot include returns during a period of alleged fraud" in their estimation period. [p. 21]

the analysis of disclosures after the E&C restructuring, because her control period is not representative of the post-restructuring of E&C part of the alleged class period, according to her logic.

Again, our point is not whether one control period is better than another, but that the change in her findings that result from a change in the control period is evidence that her findings are not robust and reliable.

2. The unreliability of Ms. Nettesheim's methodology is illustrated by the unreasonable conclusions that result when her method is applied to McDermott

To illustrate that Ms. Nettesheim's test of loss causation is unreliable, we used her same methodology of testing loss causation and applied it to a different company, McDermott International, Inc. ("McDermott").[59] We showed that her methodology is unreliable and yields positive results for loss causation regardless of the underlying true situation — i.e., her test of loss causation found inflation and loss causation even when there was no underlying fraud or even allegation of fraud. Despite the fact that McDermott had no allegations of fraud similar to those of Halliburton, using her methodology, we were able to similarly "prove" that McDermott's price was inflated and that there was loss causation. In fact, using her methodology, we are able to "prove" inflation and loss causation for McDermott's misleading accounting for unapproved claims, despite the fact that there is no indication that McDermott had any such problem.

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59. See First Allen Report section XII.

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Ms. Nettesheim in her Rebuttal Report responded to our illustration that her methodology is unreliable and yields positive results for loss causation regardless of the underlying true situation. Her response was as follows:

> Allen's analysis of loss causation for Halliburton peer McDermott International, Inc. is misleading, erroneous and irrelevant. Without any reasonable assumptions regarding allegations concerning McDermott, she has no basis for her conclusions regarding loss causation. [Nettesheim Rebuttal ¶37, internal parenthetical omitted]

This is exactly our point. The methodology used by Ms. Nettesheim to test inflation and loss causation is misleading, erroneous and irrelevant. Her conclusions are completely unreliable; using her test one can conclude there is loss causation even in situations where there is clearly no inflation and no price decline related to an alleged fraud. A test is not reliable if, regardless of the underlying condition under study, it yields a positive result.

G. None of the Academic Literature Cited by Ms. Nettesheim is Consistent with Her Approach

Ms. Nettesheim claims her loss causation analysis using her event study is reliable and based on accepted methods.[60] In support of this claim, Ms. Nettesheim and

60. Nettesheim Rebuttal, p. 6-13.

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Plaintiff cite five academic articles - Marais and Schipper,[61] Eisenhofer, *et al.*,[62] Koslow,[63] Mitchell and Netter,[64] Tabak and Dunbar.[65]

Contrary to Plaintiff and Ms. Nettesheim's claim, however, all five of these articles contain evidence that Ms. Nettesheim's event study is unreliable and not based on accepted methods. Some of the reasons are detailed below.

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61. See Marais, M. Laurentius and Katherine Schipper, "Event Study Methods: Detecting and Measuring the Security Price Effects of Disclosures and Interventions," in *Litigation Services Handbook, The Role of the Financial Expert, Third Edition*, 2004 Cumulative Supplement, edited by Roman L. Weil, Michael J. Wagner and Peter B. Frank, p. 17A-1-27 ("Marais and Schipper").

62. Eisenhofer, Jay W., Geoffrey C. Jarvis and James R. Banko, "Securities Fraud, Stock Price Valuation, and Loss Causation: Toward A Corporate Finance-Based Theory of Loss Causation," 59, *Business Lawyer*, p. 1419-1445, August 2004 ("Eisenhofer, *et al.*").

63. Koslow, Jon, "Estimating Aggregate Damages in Class-Action Litigation under Rule 10b-5 for Purposes of Settlement," *Fordham Law Review*, April 1991, Vol. 59, p. 811-842 ("Koslow").

64. Mitchell, Mark L. and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," *The Business Lawyer*, 49, p. 545-590.

65. Tabak, David I. and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," National Economic Research Associates, Working Paper #34. April 1999 ("Tabak and Dunbar").

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Ms. Nettesheim fails to identify event dates first, as called for by the academic literature cited

For example, according to the literature cited:

> PERFORMING THE BASIC EVENT STUDY
> *Identifying the Event*: Many texts discuss how to perform the event study. While there are some differences in exposition, there is a uniform agreement in the literature on the necessary steps and general procedures to be followed. First, one must identify the event or events to be studied. [Tabak and Dunbar, p. 7]

> There are three basic steps in conducting an event study: (i) define the event window; (ii) calculate abnormal stock price performance around the event; and (iii) test for statistical significance of the abnormal stock price performance. ... The first step in the event study is selecting an event window. The event window is the period when information about the event becomes available to the stock market and thus may affect the relevant company's stock price. [Mitchell and Netter, p. 557-558]

Ms. Nettesheim fails to account for confounding factors as described by the academic literature cited

For example, according to the literature cited:

> Clearly, security returns react to causes other than the announcement under consideration. To

> assess the effect of the announcement itself ... the study should ideally identify those causes and remove their effects from the data. [Marais and Schipper, p. 17A-6]

> [P]roblems [that] require additional financial analysis ... A lack of direct correlation between the initial fraud and subsequent disclosures: Frequently, frauds are cured by corrective statements that also contain additional information, leading to problems of "over-disclosure" and "under-disclosure." It does not follow then that the market's reaction to a curative statement is attributable purely to fraud-related information. [Koslow, p. 6]

Ms. Nettesheim fails to link the alleged curative disclosures to prior alleged misstatements as described in the academic literature cited

For example, according to the literature cited:

> First, the analysis can address whether ... a statistically reliable link exists between the information event in question and stock price responses. For example, in securities litigation over allegedly defective disclosures, financial experts must link the share-price reaction to the alleged correction of the allegedly defective prior disclosures or omissions. [Marais and Schipper, p. 17A-8]

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Ms. Nettesheim fails to compare news days to non-news days as described in the academic literature cited

For example, according to the literature cited:

> Thus, the problem of assessing the evidence for a material market effect reduces to that of comparing the event-day return to the nonevent...returns... [Marais and Schipper, p. 17A-6]

Ms. Nettesheim fails to address several other issues as described in the academic literature cited

For example, according to the literature cited:

> [C]alculations should be based not on whether the market was efficient or inefficient, but rather on whether the fraud was sufficiently material to have a statistically significant impact on the market price, given the degree of market efficiency. [Koslow, p. 3]

Yet, Ms. Nettesheim's calculations are based on her finding of market efficiency, rather than the "degree of market efficiency." The literature cited also notes:

> During a prolonged class period, particularly when other major changes in company operations accompany the fraud, the beta may change suddenly and by a significant amount. .. [Koslow, p. 5]

Yet, despite a prolonged alleged class period in this matter, Ms. Nettesheim did not test whether the beta (the relationship between the movement in Halliburton's stock price and the market) may have changed during the alleged class period.

H. Ms. Nettesheim Offers No Evidence That Her Loss Causation and Event Study Methodology is Court-Approved

Ms. Nettesheim states that:[66]

- The courts in *Enron* and *WorldCom* have approved the methodology she used in this matter; and
- She has used the same methodology she is using in this case in *Homestore* and *Vivendi*.

Ms. Nettesheim claims that her colleague, Blaine Nye, used in *WorldCom* and *Enron* the same event study methodology that she is using in this matter. Ms. Nettesheim also claims that the *WorldCom* and *Enron* courts accepted Dr. Nye's methodology.[67]

We found no evidence that Dr. Nye submitted any loss causation analysis in the *Enron* matter. Dr. Nye's declaration dated January 2006 reads:

> "This Declaration on efficiency of markets for Enron securities is not a damage study, or a

66. Nettesheim Rebuttal, ¶11.

67. Nettesheim Rebuttal, ¶11.

> calculation of damages, or a determination regarding loss causation, and should not be construed as such." [Declaration of Blaine F. Nye, Ph.D. in Support of Lead Plaintiff's Amended Motion for Class Certification (Docket No. 1445), January 6, 2006, ¶196, p.89]

In addition, the methodology used by Dr. Nye in *WorldCom* is not the same as that used by Ms. Nettesheim in this matter. Unlike the methodology employed by Ms. Nettesheim, Dr. Nye analyzed the stock price reaction to misrepresentations and his analysis of loss causation did not appear to start with a list of statistically significant price reactions and then to proceed to an examination of whether information related to the alleged fraud was released on those dates.[68] Dr. Nye's *WorldCom* report has a section entitled "Causation" in which he details the alleged misrepresentations and associated stock price movements and the alleged curative disclosures and their stock price movement.[69] This section includes a discussion of alleged disclosure dates that, according to his event study analysis, did not have a statistically significant price decline. In addition, the method used by Dr. Nye

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68. See fn. 51.

69. "This section describes certain disclosures by the Company that are alleged to have been misleading or omitted to disclose important information regarding WorldCom's revenue and earnings and its prospects and how these misrepresentations and omissions caused WorldCom's securities prices to be inflated during the Class Period. This section also describes how certain disclosures later in the Class Period and at the end of the Class Period caused the securities prices to decline." [Expert Report of Blaine Nye, Ph.D., August 20, 2004, ¶30]

to construct his industry index is not the method used by Ms. Nettesheim in this matter. Dr. Nye did not select companies for inclusion in his industry index on the basis of a statistical technique.[70]

Ms. Nettesheim's event study methodology as described in *Homestore* differs from her methodology in *Halliburton*. In *Homestore*, Ms. Nettesheim analyzed stock price reactions on dates on which allegedly misleading information about Homestore's financials was released (thereby causing the stock price to increase), and tied these alleged misstatements to corrective disclosures made later (which caused the stock price to decline).

> This section describes certain disclosures by the Company that were misleading or omitted to disclose important information regarding Homestore's financial condition and its prospects and how this caused the stock price to be inflated during the Class Period. This section also describes how certain partial disclosures of Homestore's true financial condition late in the Class Period caused the stock price to decline. [Expert Report of Jane D. Nettesheim dated January 16, 2004 ¶61]

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70. Moreover, Dr. Nye's opinion in *WorldCom* regarding negative causation was struck by the court. The *WorldCom* Court found: "The Underwriter Defendants' motion *in limine* is granted to the extent of striking Nye's opinions that there is 'no offset for negative causation... '" *In re WorldCom, Inc. Sec. Litig.*, No. 02 Civ. 3288 (DLC), 2005 U.S. Dist. LEXIS 2216, *19-23 (S.D.N.Y. February 17, 2005)

Ms. Nettesheim does not use this approach in *Halliburton*. Rather than performing an event study on pre-determined event dates, she analyzes Halliburton's stock price reactions on all dates during the alleged class period.

Plaintiff and Ms. Nettesheim have not provided her report in *Vivendi* or any evidence Ms. Nettesheim's event study methodology in *Vivendi* is equivalent to her methodology in *Halliburton*. The only comment regarding Ms. Nettesheim's report in the *Vivendi* court's decision provided by Plaintiff's counsel in this matter says that Ms. Nettesheim opined that the markets for Vivendi shares in Europe and the US are highly integrated and that therefore this supports *Vivendi* Plaintiffs' claim that one class rather than two was appropriate. The decision has no mention of event studies and does not address loss causation.

I. Response to Miscellaneous Points Made in Nettesheim Rebuttal

1. Ms. Nettesheim claims that her news analysis is not complete

Ms. Nettesheim states:

> It is not possible to obtain at this time all news that was available to market participants during the Class Period; for example, I know that I have do not have [sic] First Call reports or all of the analyst reports that were published during the Class Period. Furthermore, there very

> likely are other types of relevant information about Halliburton that was of interest and available to market participants during the Class Period that we will never know existed. Thus, to segregate days during the Class Period into "news days" and "non-news days" is a meaningless exercise at this time. [Nettesheim Rebuttal ¶37]

If at this point in her research, Ms. Nettesheim feels that she does not have enough information to segregate the days in the alleged class period into news days and non-news days, then her research is too preliminary for her to be able to draw reliable conclusions regarding the cause of Halliburton's stock price movement. Ms. Nettesheim appears to believe that she is likely missing material news on days that can explain statistically significant price reactions. Given that her search for news covered the entire class period, it would therefore seem likely that she would be missing material news on other days, including those days that she claims are curative disclosures. How can she be confident, then, that she is not missing non-culpable news that actually caused the price reactions on her dates of alleged curative disclosures? Or how can she be confident that the allegedly culpable news was not, in fact, released prior to the alleged price declines and, therefore, could not have been the cause of those declines? If her knowledge of news is such that she is unable to classify days into news days and non-news days, her results cannot be reliable.

2. The difference between Ms. Nettesheim's market data and CRSP data is not *de minimis*

The First Allen Report explained that we were unable to identify Ms. Nettesheim's market index and that CRSP, the data provider Ms. Nettesheim allegedly used, similarly could not identify her data series or substantiate that CRSP was the source of the data.[71]

Ms. Nettesheim claims that the differences between the data she used and the CRSP data are *"de minimis."*[72] Yet the returns she used and the CRSP returns differ by more than 5% on 251 days out of the 633 trading days during the alleged class period. Moreover, on five of the days the two different datasets have the market moving in *opposite* directions—for example, the data we obtain from CRSP records the market going down on February 4, 2000 while the data she used records the market going up on that day.

Ms. Nettesheim now claims that she obtained the data from CRSP years ago and that differences between her data and the CRSP data are due to "a change by a third party data provider of the price of some stocks other than Halliburton during the Class Period."[73] Ms. Nettesheim's claim that this difference is the result of the data provider changing the price of stocks is unsupported and unbelievable.

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71. See First Allen Report, p. 12.

72. See Nettesheim Rebuttal, ¶6.

73. See Nettesheim Rebuttal, ¶6.

Appendix F

VI. RESPONSE TO SPECIFIC POINTS IN PLAINTIFF'S OPPOSITION TO MOTION TO STRIKE THE NETTESHEIM REPORT

In the table below, we summarize the claims and allegations made by Plaintiff in its Opposition to Motion to Strike Expert Report of Jane Nettesheim in the left hand column and our response in the right hand column. Note that many of the issues addressed above are also relevant here.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
I. NETTESHEIM'S METHODOLOGY IS PROPER AND APPROPRIATELY APPLIED. A. Nettesheim's Methodology Is Sound.	
• In Nettesheim's Rebuttal Report, Nettesheim began her event study by reviewing the Complaint to identify the alleged misrepresentations and the alleged partial disclosures.	Whether she did or did not read the complaint first is not the point. Her methodology is inappropriate for the reasons discussed in other sections of this report and the First Allen Report. (See sections V.C, V.D, V.E, V.F and V.G in this report.)
• Nettesheim's event study methodology is the same methodology that she has employed in other securities actions and has been accepted by courts in other actions.	The cases cited do not support this claim. (See section V.H above.)

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• Nettesheim's methodology is fully consistent with the description in the literature and case law of the proper way to conduct an event study.	Nettesheim's methodology is not consistent with any of the academic literature or cases cited. (See section V.G.)
• Allen's misunderstanding of the Nettesheim Report may stem from the fact that Allen did not review the Appendix to the Nettesheim report.	The First Allen Report demonstrates that Allen reviewed and analyzed Nettesheim's Appendix.
• Allen's equivocal testimony and uncertain experience in ever having conducted a loss causation analysis undercuts whatever weight her assertions might otherwise carry.	Allen testified that she has conducted an analysis as to whether or not there was loss causation.[74]

74. Allen testified:

Q. Have you ever done an analysis as to whether or not there was loss causation?

A. Yes [Deposition of Lucy Allen, p.84, lines 11-13]

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
B. Nettesheim's Industry Index Was Properly Constructed. • Employing an objective and sound methodology with both theoretical and statistical measures.	Her industry index is not constructed appropriately for the tests she claims to perform. The industry index cannot test whether the price decline in Halliburton is due to industry problems with E&C or changes in the asbestos litigation environment, as opposed to revelation of any alleged fraud by Halliburton, since it does not control for changes in E&C or changes in asbestos.

Q. Let me ask that question. Have you ever done an analysis as to whether or not there was loss causation in a securities class action case?

A. Yes [Deposition of Lucy Allen, p.85, lines 6-10]

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• Defendants criticize Nettesheim's market index because she did not include two stocks discussed in a single Merrill Lynch analyst report issued more than a year before the class period that mentioned Halliburton's E&C Group. The Merrill Lynch report only mentions these companies in passing.	(Presumably Plaintiff means "industry index" not "market index.") The Merrill Lynch report concerns the pending merger between Halliburton and Dresser and its effect on the E&C.[75] Many other sources during the class period including ones produced by Nettesheim indicate that Halliburton and these other companies are competitors in the E&C industry. Nettesheim claims that Halliburton's stock price declined because of problems related to E&C. The important point is not

75. The Merrill Lynch report reads

Merrill Lynch: Engineering & Construction

Reason for Report: Potential for Changes in E&C Valuation?

The pending acquisition of Dresser Industries by Halliburton is undoubtedly a deal driven primarily by issues in the oil services industry. But, in the process, a formidable engineering and construction company ... with $5 billion in revenues has been created and that new company could potentially change the E&C landscape ... [Merrill Lynch. March 13, 1998]

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
	which E&C companies are in an index, but that Plaintiff has some method of proving that the decline in Halliburton's stock price is not due to changes in the E&C industry overall (or asbestos environment overall) rather than alleged fraud.
• Halliburton is not an engineering and construction company.	Halliburton's business is not all E&C (approx 30-50% of annual revenues are E&C during the years of the class period); but Halliburton is one of the largest E&C companies in the world.[76] According to Nettesheim Rebuttal Report, Halliburton is the "leading engineering and construction company in the world."[77]

76. Computed as a ratio of revenues of the E&C segment (including BRES) to total Halliburton revenues for the years 1999-2001 as reported in 10-K for 2001, filed on March 12, 2002. See p. 15 and p. 17.

77. The Nettesheim Rebuttal ¶62 quotes a report by the analyst at Donaldson, Lufkin & Jenrette on March 1, 1999:

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• There is no index described as an E&C index that includes Halliburton.	Whether or not a pre-made index exists does not relieve Nettesheim's burden to control for E&C industry effects. Since much of Halliburton's business is not E&C, Halliburton might not be included in an E&C off-the-shelf index, but the effect of the industry must still be addressed.
• The inclusion of the other two companies mentioned in the March 13, 1998, Merrill Lynch report would have no material impact on the overall industry index used in the Nettesheim Report.	That is not the point; averaging these two companies in with other 50 plus companies that are not related to E&C is still not going to help one determine whether any of Halliburton's stock price

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Leading engineering and construction company in the world — The combination of Dresser's M.W. Kellogg subsidiary and Halliburton's Brown & Root subsidiary creates one of the largest and best positioned e&c companies with a worldwide presence and a number of unique technologies in diverse areas including LNG, ammonia, olefins and ethylene.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
Their inclusion does not change the statistical significance of any of the partial corrective disclosures related to the failed Dresser merger or the improper accounting for unapproved claims on long-term, fixed price contracts.	decline is due to alleged fraud regarding the integration of Dresser or accounting of unapproved claims, or, rather, due to a decline in the market for E&C. See graph above in section V.C.2.a.
• The adverse asbestos news that drove down Halliburton's stock price during the class period was Halliburton-specific asbestos news.	Although some of the news was specific to Halliburton, it was evidence of a change in the asbestos litigation environment.[78] If it only revealed information to the market regarding Halliburton's alleged fraud, then it would not have affected the stock prices of other companies.[79]

78. See section V.C.4.a.

79. See First Allen Report, p. 39-40.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• Allen does not provide evidence to suggest that asbestos news about other companies depressed *Halliburton's* stock price during the class period or that Halliburton stock moved in sync with the stock of other companies with asbestos exposure during the class period.	This misses the point. If the alleged curative disclosure revealed that Halliburton has misstated its asbestos reserves in the past, then the stock prices of other companies with asbestos exposure, but no similar alleged fraud, would not decline. The fact that there was a decline in the stock prices of other companies with asbestos exposure that were not even named in the lawsuits indicates that the information was not specific to Halliburton and its alleged fraud but rather a potential change in the asbestos litigation environment.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• Neither Defendants nor Allen provide any authority for the assertion that it would be proper to add to an industry index companies from outside a given industry on account of their asbestos exposure.	The literature cited by Ms. Nettesheim states that Plaintiff must prove that the price decline is due to the revelation of the alleged fraud.[80] The analyst and market commentary all indicate that the asbestos environment changed unexpectedly and that these verdicts were large and unprecedented. The Nettesheim index cannot test whether the price decline is due to the alleged fraud or a change in the environment.

80. See section V.G.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
C. Allen's Analysis of Nettesheim's News Days Is Flawed. • *Polymedica*, cited by Allen, is not relevant here. Nettesheim found that there were 31 days during the class period with statistically significant market movement, and determined that on more than two-thirds of those days, the movement was explained by release of company-specific news.	While the First Allen Report does not cite Polymedica, it is relevant here.[81]

81. See fn. 2 for detail on the *Polymedica* order.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
D. Allen's Criticism of Nettesheim's Calculation For Statistical Significance Is Without Merit. • Allen's claim that one would expect 5% of the days during the Class period to have a statistically significant return with a 95% confidence interval is true only if the control period is the same as the Class period.	Nettesheim's discussion of this claim is inconsistent with fundamental statistical principles in hypothesis testing. (See section V.E.1 above.)

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• Defendants claim that Nettesheim's results are not reliable because she found a statistically significant return on 31 days and that, due to Nettesheim's use of a 95% confidence interval, which is no more than one would expect if the stock price was affected by random chance. A single example shows that assertion is untenable. (1) Allen balked at calling Halliburton's stock movement on December 7, 2001 random.	We do not claim there is no news that affects the stock during the class period; rather, we find that *her statistical analysis yields no evidence* that the stock price declines during the alleged class period are caused by anything other than the normal daily variation in stock price. See section V.E.1.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
II. NETTESHEIM CORRECTLY FOUND LOSS CAUSATION. A. The Corrective Disclosures Tie to the Prior Fraudulent Statements. • Nettesheim testified in her deposition that she did not link a particular corrective disclosure to any single misrepresentation.	Exactly.
• She did properly determine that the corrective disclosures were tied to the alleged misrepresentations and omissions in the complaint during the class period.	Ms. Nettesheim did not link alleged corrective disclosures to alleged misrepresentations. See sections V.C.3, V.C.4.b, and footnote 7.

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
• The record shows Allen misunderstood the complaint, as demonstrated by the following exchange in her deposition: Q: As you understand it, do the plaintiffs claim that one of the misrepresentations that Halliburton made was the assertion that Halliburton insurance should cover the majority of any future claims relating to asbestos? A: That's not my understanding. Allen Dep. at 120:3-9, PI. App. 103. (1) The Complaint quotes a July 26, 2001 UBS Warburg report, which said in pertinent part: "Mr. Lesar indicated	The alleged misrepresentation that Halliburton insurance should cover the majority of asbestos claims is not an allegation analyzed or specifically referenced by the Nettesheim Report, and the Nettesheim Report does not contend that information to the contrary was ever disclosed to the market place. Moreover, even at the end of the alleged class period, analysts still note that insurance will cover the majority of future claims

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
that HAL maintains a significant amount of insurance that should that should [sic] cover the majority of any future claims or increases in settlements rates."	relating to asbestos.[82] So the revelation of the alleged fraud related to this allegation cannot be the cause of the price decline.

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82. For example, in the week following the last alleged curative disclosure about asbestos (the end of the alleged class period) an analyst for CIBC World Markets stated:

Negative impact limited by insurance and solid balance sheet. HAL has $2 billion in insurance to cover 95% of asbestos claims. As for the costs that are not covered by insurance, HAL is financially solid with a strong balance sheet and $250 million in cash. [CIBC World Markets. December 11, 2001]

Similarly, an analyst for RBC stated:

[t]he balance sheet is currently very strong, in our opinion, insurance protection is very high, and all of the recent verdicts are expected to be appealed. [RBC Capital Markets. December 10, 2001]

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
B. Nettesheim Performed An Empirical Analysis When Necessary to Disaggregate Culpable and Non-Culpable Bad News.	Not true; her only attempt at an "empirical analysis" is for October 24-25, 2000 (see below).
• October 4, 1999: (1) Neither market or industry news, captured by Nettesheim's market and industry indices, nor positive Halliburton-specific news would explain the company-specific drop in Halliburton stock on this day.	Nettesheim's analysis does not explain her conclusion regarding the October 4, 1999 disclosure. She claims the decline is due to partial disclosure of the alleged fraud related to the integration problems, but not a single one of the analyst reports or news stories surrounding this date refer to integration problems.
(2) Halliburton acknowledged that the decline in the price of	Halliburton described the reason for the decline in *expected profits*, not the

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
Halliburton stock was due in large part to the lower than expected profits of the joint ventures of Halliburton's engineering and construction units and many of the other business units of Dresser Equipment Group.	reason for the decline in the *stock price.*[83]
• January 5, 2000: (1) Nettesheim acknowledges that both culpable and non-culpable news was released on this date, but explains that the non-culpable news was industry-wide and thus was captured by her industry index and so could not have contributed to Halliburton's company-specific return.	She claims that the problems are in the E&C portion of Halliburton. She has done nothing to effectively control for changes in the E&C industry. See section V.C.2.a.

83. According to the Halliburton's press release on October 4, 1999: "The lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group are significantly affecting the company's 1999 third quarter earnings." [PR Newswire, October 4, 1999, Halliburton to Sell Two Joint Ventures, Announces Earnings Outlook]

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
(2) While she considered analyst reports, she also looked behind the Brown Brothers Harriman & Co. report to analyze the changes in the earnings per share estimate for different segments of Halliburton's business, and to determine which part of the news had the most effect on the analyst's model and Halliburton's stock price. This is precisely the type of "post-mortem" analysis endorsed by *Allegiance.*	She did not "look behind" the Brown Brothers Harriman report and she reports no analysis. The numbers presented in her report are merely a recitation of the numbers in the analyst report. See section V.C.3.a.
• October 24, 2000: (1) Defendants claim there was non-culpable, negative news released, but that news is not specific to Halliburton and so would not explain its company-specific stock return.	More importantly, there is no evidence that even the allegedly culpable information which Nettesheim claims is responsible for the entire price decline on October 25 was revealed to the market on October 24-25. The allegedly culpable news that she says is responsible relates to "serious

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Plaintiff's Opposition to Motion to Strike the Nettesheim Report	
Plaintiff claims:	**Response:**
	operational problems" in Halliburton's construction business. We find no support for this claim in any of the analyst reports or news stories. (See section V.C.2.b.)

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VII. RESPONSE TO SPECIFIC POINTS IN PLAINTIFF'S MOTION TO STRIKE FIRST ALLEN REPORT

Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
A. Allen's Criticism of Nettesheim's Event Study Demonstrates a Fundamental Lack of Understanding of Nettesheim's Methodology. o As Nettesheim testified at her deposition, she began her analysis by reviewing the allegations of the Complaint to obtain an understanding of the allegations of misrepresentations and to identify dates with alleged partial disclosures.	Plaintiff misses the point. The point is not whether Nettesheim read the Complaint before performing her event study. The point is that Nettesheim ran 633 hypothesis tests and any day that she found to have a negative, statistically significant excess return she concluded was a partial corrective disclosure if, in her opinion, she found news related to the allegations.[84]

84. Q. What you did was you looked at every day during the class period and then determined which days had statistically significant returns, correct?

A. That's one of the many things that I did.

Q. An alternative approach would have been to look at the dates alleged in the complaint and determine if on those dates there was a statistically significant return?

A. It's not an approach that related to what I was doing. [Nettesheim Deposition, p. 41]

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
	This process, whether she read the Complaint before performing it or not, is an invalid process to perform hypothesis testing and it risks becoming a mere ex-post justification of a particular result. See the academic quotes in the First Allen Report.

A. I did not look at every Halliburton statement during the class period and then look to see whether or not the stock price went up.

Q. Sure. What you did was you looked at the dates in which there was a statistically significant return with a positive or negative, correct?

A. Correct [Nettesheim Deposition, p. 75]

Q. So how did you begin trying to ascertain the loss causation aspects of this case?

A. After collecting the data, then we did statistical analyses which entailed forming an industry index, and after several steps, went through to form the industry index and did a regression analysis to determine the relationship between Halliburton and the stock returns and returns on a market index, industry index. [Nettesheim Deposition as quoted in Nettesheim Rebuttal fn. 14]

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Indeed, Allen's misunderstanding of the Nettesheim Report may stem from the fact that Allen did not review the appendix to that report in which Nettesheim detailed her methodology. When asked whether she reviewed certain materials attached to the Nettesheim Report, Allen responded: "I don't believe she attached any material period to her report."	The First Allen Report demonstrates that Allen reviewed and analyzed Nettesheim's Appendix.[85] The statement that is taken out of context from my deposition is the following: Q. Were there any transcripts of analyst calls attached to the Nettesheim report in this case? A. I don't believe she attached any material, period, to her report. [Allen deposition transcripts, p. 31] From the context it is clear that I was referring to source documents, not material generated by Nettesheim. The five preceding pages of deposition transcript contain questions by counsel referring to source material.

85. For example, p. 8 and p. 11-12 of the First Allen Report include discussion of material contained in the Appendix of the Nettesheim Report.

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
B. Allen's Criticism of Nettesheim's Calculation of Statistical Significance Is Not Based in Sound Economic Theory o In her deposition, Allen admits that Nettesheim's use of the 95% statistical significance level is the commonly used and accepted confidence interval.	95% is a common standard to test statistical significance; the problem is with Nettesheim's methodology, not the 95%. See section V.E.1.
o Allen's claim that one would expect 5% of the days during the Class period to have a statistically significant return with a 95% confidence interval is true only if the control period is the same as the Class period.	Plaintiff and Nettesheim's discussion of this claim is inconsistent with fundamental statistical principles in hypothesis testing. (See section V.E.1.)

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Even assuming 31 days would be statistically significant as a result of "normal variations," Allen offers no explanation for why Nettesheim found those 31 days to frequently correlate with major news days.	The statement that major news days "frequently correlate" with statistically significant reactions is statistically nonsensical. There is no statistical analysis in either Nettesheim report to support this statement. It is a testable hypothesis whether the price moves differently on days with news than on days without news. Nettesheim has failed to show that the price moves differently on news days as compared with non news days. In fact, when Allen shows there is no statistical difference, Nettesheim says she never coded news versus non-news days. If she has not determined which days are news (or major news) then she cannot test whether the price movement on these

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
	days differs from other days.[86]
o Allen criticism of Nettesheim's use of the 95% confidence level is not supported by reference to any objective, independent authority.	Allen does not criticize using the 95% level, but rather the Nettesheim methodology. The First Allen report includes cites.[87] See also section V.E.1 of this report.

86. See fn. 2 for detail on the Polymedica order.

87. The First Allen Report contained the following cites:

Kaye, David H. and David A. Freedman, "Reference Guide on Statistics", *Reference Manual on Scientific Evidence,* (2000, Federal Judicial Center, Second Edition), p. 83-178;

Inge F. Goldstein and Martin Goldstein, *How Much Risk? A Guide to Understanding Environmental Health Hazards,* Oxford University Press, 2002; and,

Studenmund, A.H., *Using Econometrics: A Practical Guide,* Pearson Education, Inc., Fifth Edition, 2006, p. 114

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
C. Allen's Criticisms of Nettesheim's Industry Index Are Contrary to the Methodology Endorsed by Allen's Colleagues at NERA. o Allen levies several criticisms at Nettesheim's construction of an industry index, yet cites no authority for those criticisms.	There were cites in the First Allen Report.[88] In addition, Nettesheim's own cites also support Allen's criticisms.[89]

88. See First Allen Report p. 13: Peter Kennedy, *A Guide to Econometrics*, Fifth Edition, The MIT Press, 2003, p. 108-9, 383. See also First Allen Report p. 13: Michael A. Babyak, "What You See May Not Be What You Get: A Brief, Nontechnical Introduction to Overfitting in Regression-Type Models," Statistical Corner, *Psychosomatic Medicine*, Vol. 66, p. 411-421 (2004).

89. "First, the expert's failure to indicate whether he conducted an "event study" to determine whether the company's stock price was affected by company specific factors exclusive of the challenged fraud called into question the reliability of the expert's report." (p. 5 Eisenhofer, Jay W., Geoffrey C. Jarvis and James R. Banko, "Securities Fraud, Stock Price Valuation, and Loss Causation: Toward A Corporate Finance-Based Theory of Loss Causation," 59, *Business Lawyer*, p. 1419-1445, August 2004). See also section V.G of this report.

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Nettesheim's approach is endorsed by Tabak and Dunbar, Allen's NERA colleagues, as she used both theoretical measures and statistical measure.	Nettesheim approach is not supported by Tabak/ Dunbar. The article says selection should not be done blindly.[90] Nettesheim has made a selection that is blind to the nature of the allegations. E.g., her index does not control for E&C industry or asbestos environment.
o Nettesheim started her selection of companies to consider for the industry index by identifying those listed as competitors in analyst reports. This is the same initial step that Allen employed.	The step employed by Allen was to show that Nettesheim has not controlled for changes in the E&C industry. (See section V.C.2.a.)

90. See Tabak and Dunbar, p. 10.

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Nettesheim also looked at companies identified in the same industry index as Halliburton.	This did not adequately control for changes in the asbestos environment or the E&C industry and thus could not reliably test the allegations.
o These statistical measures are also endorsed by Tabak and Dunbar. o Allen's colleagues at NERA have criticized the failure to employ Nettesheim's methods.	Not true, the steps described in Tabak/ Dunbar are not the same as those used by Nettesheim's. The article does not support a procedure of looking at all statistically significant days and then looking for events. They mention the use of statistical measure, but, say, for example that "there are various reasons for not simply choosing the index with the strongest statistical properties."

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Allen, in constructing her "E&C" industry index, does not comply with the procedures endorsed by her NERA colleagues in that the statistical measure is entirely lacking.	The index in the Allen report is used to demonstrate that Nettesheim has not analyzed whether the price decline in Halliburton is related to problems overall in the E&C industry or to the alleged fraud. See section V.C.2.a.
D. Allen's Selection of a Post-Class Control Period Is Not Supported by Academic Literature.	Not true. The literature cited by Plaintiff and Nettesheim supports the use of a post-class control period.[91]

91. For example, the Marais and Schipper article cited by Ms. Nettesheim states that the control periods, both before and after the event period, can be used. [p. 23] Further, according to Tabak and Dunbar: "There are three general choices for the placement of an estimation window: before the event window, surrounding the event window, and after the event window." [p. 9]

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
o Allen's criticisms are based on a supposed "testing" of Nettesheim's model. However, Allen provides no explanation or methodology for how the testing was conducted. As such, there is no basis to test whether Allen's findings are accurate, and her results are not verifiable.	The First Allen Report explains how the testing was conducted [First Allen Report p. 13-14]. We used exactly the Nettesheim approach and merely changed the date of the control period. Nettesheim herself implicitly admits she is able to replicate and understand the test by repeating the test on other alternative control periods.
o Utilizing a post-class period contnrol period is contrary to academic literature, which recognizes that: In securities fraud cases, estimations [control] windows are often placed before the beginning of the alleged class period, . . . so that the estimation window would cover a "clean" period that could not have been tainted by	Not true. This is a complete mischaracterization of the article cited. "There are three general choices for the placement of an estimation window: before the event window, surrounding the event window, and after the event window. The most common choice is to place the estimation window before the event. The estimation window can also

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
any alleged stock price inflation.	be placed after the event windows or split to cover periods before and after the event window. When multiple events are studied, the estimation window may cover the periods around the event windows, include the period(s) between event windows." [Tabak and Dunbar, p. 9] Other academic literature cited by Plaintiff and Nettesheim also supports a post-event control period.[92]
o Allen acknowledged that the post-class period was not a better control period than the pre-class period utilized by Nettesheim.	The point is not which control period is better, but that the Nettesheim methodology is not reliable as evidenced by the fact that a change in the control period substantially changes the results.

92. See fn. 91.

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Plaintiff's Motion to Strike First Allen Report	
Plaintiff claims:	**Response:**
E. *Allen's Renort Is Results-Oriented and Should Be Excluded.* o Allen did not perform a market efficiency analysis, prepare a proper industry index, or undertake a loss causation analysis in this case, all of which would be necessary to properly gauge Nettesheim's conclusions.	Allen was asked to review Nettesheim's loss causation analysis and found the Nettesheim methodology unreliable and methodologically flawed. Allen prepared a report which detailed her analysis and conclusions regarding the Nettesheim loss causation analysis. Nettesheim's methodology (looking at statistically significant days and then attempting to associate them with the alleged fraud) could be called results-oriented.

/s/_____
Lucy P. Allen

Appendix F

SUPPLEMENTAL APPENDIX

EXHIBITS TO SUPPLEMENTAL EXPERT REPORT OF LUCY P. ALLEN, UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF TEXAS DALLAS DIVISION, DATED JANUARY 18, 2008:

Exhibit 1 ..... SA584

Exhibit 2 ..... SA587

Exhibit 3 ..... SA593

Exhibit 4 ..... SA602

Supreme Court, U.S.
FILED
FEB 22 2011
OFFICE OF THE CLERK

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON COMPANY, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

SUPPLEMENTAL JOINT APPENDIX

DAVID BOIES
Counsel of Record
BOIES, SCHILLER & FLEXNER, LLP
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PETITION FOR CERTIORARI FILED MAY 13, 2010
CERTIORARI GRANTED JANUARY 7, 2011

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ATTACHMENTS TO EXPERT REPORT OF LUCY P. ALLEN, IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION DATED NOVEMBER 16, 2007:

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EXHIBIT TO LEAD PLAINTIFF'S REPLY IN SUPPORT OF ITS MOTION FOR CLASS CERTIFICATION IN THE UNITED STATES COURT FOR THE NORTHERN DISTRICT OF TEXAS SA581

EXHIBITS TO SUPPLEMENTAL EXPERT OF LUCY P. ALLEN, UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF TEXAS DALLAS DIVISION, DATED JANUARY 18, 2008:

Exhibit 1 ..... SA584

Exhibit 2 ..... SA587

Exhibit 3 ..... SA593

Exhibit 4 ..... SA602

Exhibit 1

JANE D. NETTESHEIM

702 Marshall Street, Suite 200
Redwood City, California 94063
Telephone: (650) 298-0200
Fax: (650) 298-0210
E-mail: jane@scginc.com

PROFESSIONAL BACKGROUND

Stanford Consulting Group, Inc.
Vice President

Economic consultant and testifying expert specializing in finance, intellectual property and insurance economics. Project experience includes:

Cost of capital and required underwriting margin analyses for property/casualty insurers in various states for use in regulatory hearings into appropriate insurer profitability levels in those states.

Study of economic market structure of workers' compensation insurance and analysis of various rating laws.

Analysis of economic damages alleged in numerous class actions as a result of alleged misrepresentation and fraud.

Analysis of economic damages suffered by parties to business litigation involving issues related to product liability, fraud, wrongful contract termination, unfair competition, and business valuation.

Numerous analyses of economic damages to various involved parties in wrongful death litigation, personal injury litigation, and wrongful termination litigation.

Study of auto physical damage and small group health insurance futures proposed for trading by the Chicago Board of Trade, including analysis of the impact of trading in insurance futures on auto and health insurance industry market structure.

Examination of financial structures of holding companies of savings and loan associations and investment portfolios of savings and loan associations.

Analysis of high-yield debt securities, including examination of financial statements, securities' prospectuses and related filings. Performed valuation analyses of below investment grade debt securities.

Analysis of lost revenues and profits in cases of alleged patent infringement and anti-competitive market behavior. Analyses included definition of relevant markets, examination of product differentiation, and appropriate allocation of costs.

Analysis of merger and acquisition issues of an attempted takeover by large foreign interests of foreign company which owns major U.S. property and casualty insurer, including analysis of risk of insurer's investment portfolio, consequences of the proposed altering of that portfolio into riskier stock and equity securities, and appropriate financial structure of an insurance company.

Development and application of economic theory and technology to calculate damages in several large securities litigation cases. The technology incorporates timing of information releases, materiality of information, class period, class certification, trading behavior, and extent of damages.

Numerous analyses of damages incurred by alleged environmental hazards incorporating past costs and estimates of future costs of maintaining and abating the hazard. Development of econometric models used to estimate change in real asset values due to presence of alleged environmental hazard.

University of San Francisco
Visiting Lecturer of Corporate Finance in M.B.A. program.

London Business School
Course Tutor for Executive Courses on Securities and International Finance. Involved in various consulting projects.

Applied option pricing theory in pricing interest rate swaps. Applied duration and immunization concepts to constructing and hedging a portfolio of interest rate swaps.

Performed cost of capital analysis for a very large and diversified corporation for use in estimating appropriate share price when privatized by the British government.

Analysis of the risk characteristics of an internationally diversified stock portfolio.

City University of London
Visiting Lecturer of Corporate Finance in M.B.A. program.

Institute of Monetary and Banking Studies, Geneva
Course Tutor for Executive Courses on Securities and Portfolio Management.

University of Hawaii
Visiting Lecturer of Managerial Economics, undergraduate.

Bank of Honolulu
Bank operations officer.

United Bank of Boulder
Bank operations supervisor.

EDUCATION

London Business School
Completed coursework requirements in program for Ph.D. in finance, 1986-89.

University of Hawaii
M.B.A., 1985.
Beta Gamma Sigma.

University of Colorado
B.A. in biology, 1978.

MONOGRAPHS

"Report on the Medical Malpractice Insurance Delivery System in Pennsylvania" with Hofflander, A.E. and Nye, B.F., 47 pp. (2001).

"White Paper – Small Group Health Insurance Futures," with Hofflander, A.E. and Nye, B.F. Chicago Board of Trade, Chicago, 75 pp. (1991).

"White Paper -- Auto Physical Damage Insurance Futures," with Hofflander, A.E., Nye, B.F. and Charlesworth, L.B. Chicago Board of Trade, Chicago, 92 pp. (1991).

PRESENTATIONS

"The Medical Malpractice Insurance Delivery System in Pennsylvania," with Alfred E. Hofflander. Presented in January 2002 in Harrisburg, PA.

"A Comparative Evaluation of Workers' Compensation Rating Laws," with Alfred E. Hofflander and Blaine F. Nye. Presented in August 1992 at the American Risk and Insurance Association Annual Meeting in Washington D.C..

"Hedging Risk with Small Group Health Insurance Futures," with Alfred E. Hofflander and Blaine F. Nye. Presented in June 1991 at the International Insurance Society in San Francisco, California.

"The Impact of Insurance Futures on the Insurance Cash Market," with Alfred E. Hofflander and Blaine F. Nye. Presented in April 1991 at the Risk Theory Seminar at Pennsylvania State University.

"From Three Flowers to Allstate: Evolution of Income Taxation of Captive Insurers," with Alfred E. Hofflander, Blaine F. Nye and M. Rose Kelly. Presented in August 1990 at the American Risk and Insurance Association Annual Meeting in Orlando, Florida.

Testimony of Jane D. Nettesheim

September 11, 2007

Dal B. Gurung v. Sheila H. Tsang and Bonnie G. Tsang, Superior Court of the State of California, County of San Francisco, Case No. CGC-06-452511, June 19, 2007 (deposition).

Matthew Serino, et al., v. Kenneth Lipper, et al., Supreme Court of the State of New York, County of New York, Index No. 02/604396, Fredda Levitt, et al., v. Pricewaterhousecoopers, LLP, United States District Court, Southern District of New York, Civ. Action No. 04CV5179, May 23, 2007 (deposition).

Bernadette F. Abramson, et al., v. Gavilan Aviation, Inc., et al., Superior Court of the State of California, County of San Benito, Case No. CV060083, May 10, 2007 (deposition).

Terry Walker, Individually and On Behalf of All Others Similarly Situated, v. Rent-A-Center, Inc., et al., United States District Court, Eastern District of Texas, Texarkana Division, Case No. 5:02cv3 (DF), April 20, 2006 (deposition).

Sheldon Pekin, Independent Executor of the Estate of Joanne Pekin v. Evanston Northwestern Healthcare Corporation, et al., Circuit Court of Cook County, Illinois, No. 01 L 07946, February 17, 2006 (deposition), August 21, 2006 (deposition).

In Re Retek, Inc. Securities Litigation, United States District Court, District of Minnesota, Master File No. 0:02-CV-4209-JRT/SRN, October 6, 2005 (deposition).

Amber Lindsey v. Integrated Archive Systems, Superior Court of the State of California, County of Santa Clara, Case No. 104CV024249, October 4, 2005 (deposition).

Robert Mamon v. Children's Hospital of Oakland, et al., Superior Court of the State of California, County of Oakland, Northern Division, Case No. RG03091442, August 4, 2005 (deposition).

In Re GenesisIntermedia, Inc. Securities Litigation, United States District Court, District of Minnesota, Case No. 03-CV-3471 (RHK/AJB), May 3, 2005 (deposition).

In Re Paxil Products Liability Litigation, United States District Court for the Central District of California, Western Division, Master File No. CV 01-7937 MRP, March 29, 2005 (deposition).

Heidi Betz v. Trainer Wortham & Company, Inc., David P. Como, First Republic Bank, a Nevada Corp., and Robert Vile, United States District Court for the Northern District of California, San Francisco Division, Case No. C-03-3231-SI, February 8, 2005 (deposition).

Paul Vincent Dismukes, et al. v. Tony Y. Tam, Oak Valley Hospital, Oak Valley Hospital District, Superior Court of the State of California, County of Stanislaus, Case No. 339898, February 7, 2005 (deposition), February 9, 2005 (trial).

Kathleen Silva and Haley Silva v. Richard Lindsey, DBA Sunrise Dairy, and Foster Farms Dairy, Superior Court of the State of California, County of Alameda, Northern Division, Case No. 2001-023134, December 17, 2004 (deposition).

Kim Geisinger and Mason Geisinger v. Dahl-Beck Electric Company, Gregory Hernandez, Does 1 through 100, inclusive, Superior Court of the State of California, Case No. C02-02932, September 14, 2004 (deposition), September 30, 2004 (deposition).

In Re Homestore.com, Inc. Securities Litigation, United States District Court For The Central District of California, Western Division, Master File No. 01-CV-1115 MJP, May 6, 2004 (deposition).

David Del Castillo v. Melmar Express, Inc., San Joaquin County Superior Court, Case No. CV 019216, February 27, 2004 (deposition), April 1, 2004 (trial).

In Re Air Crash at Taipei, Taiwan, on October 31, 2000, United States District Court, Central District of California, MDL Docket No. 1394-GAF, September 3, 2003 (Diaz) (deposition), November 4, 2003 (Yeh) (deposition), May 11, 2004 (Peng) (deposition).

In Re First Alliance Mortgage Company, United States District Court, Central District of California, Case No. SA CV 01-971 DOC, December 17, 2002 (deposition), February 26, March 5 and 6, 2003 (trial).

William E. Elder, Jr. v. British Airways, PLC, United States District Court, Northern District of California, Case No. C-01-2811 SI (EMC), November 20, 2002 (deposition).

Elizabeth W. Vobach v. Goldman Sachs, & Co., et al., NYSE Arbitration Docket No. 2001-009311, July 8, 2002 (arbitration).

Susan Snyder v. Steven Tager, D.P.M., Santa Clara County Superior Court, Case No. CV 794642, April 2, 2002 (deposition), May 3, 2002 (trial).

Carl Miles v. Genie Industries, Inc., et al., United States District Court, Eastern District of Missouri, Eastern Division, Case No. 4:00CV1470 RWS, March 11, 2002 (deposition).

Barbara Briglio Finizio, et al. v. Harvest Inn, et al., Napa County Superior Court, Case No. 26-10314, February 22, 2002 (deposition).

Susie Low, et al. v. United Air Lines and The Boeing Company, Orange County Superior Court, Case No. 00CC06600, February 18, 2002 (deposition).

Estate of Kenneth W. Himsel, et al. v. Raytheon Aircraft Company, United States District Court, District of Alaska, No. A99-0397 CV (JWS), August 31, 2001 (deposition).

Jeffrey R. Freund v. Nycomed Amersham, et al., United States District Court, Southern District of California, No. 99CV 2202IEG POR, April 6, 2001 (trial).

Barbara Porch v. General Motors Acceptance Corp., State of Minnesota, District Court, Fourth Judicial District, No. CT 97-7457, April 7, 2000 (deposition), July 27, 2000 (deposition).

William Dearmon v. Mercury Finance Company of Tennessee, Chancery Court of Williamson County, Tennessee, Case No. 24583, April 5, 2000 (deposition).

Paul C. Acree, et al. v. General Motors Acceptance Corporation, California Superior Court, Sacramento County, July 1995 (trial), December 1997 (reference process).

Charterhouse Realty Group, et al. v. Jones, Day, Reavis & Pogue, et al., California Superior Court, Los Angeles County, April 1996 (trial).

Exhibit 2

Exhibit 2

Halliburton Co. (HAL)
Document List

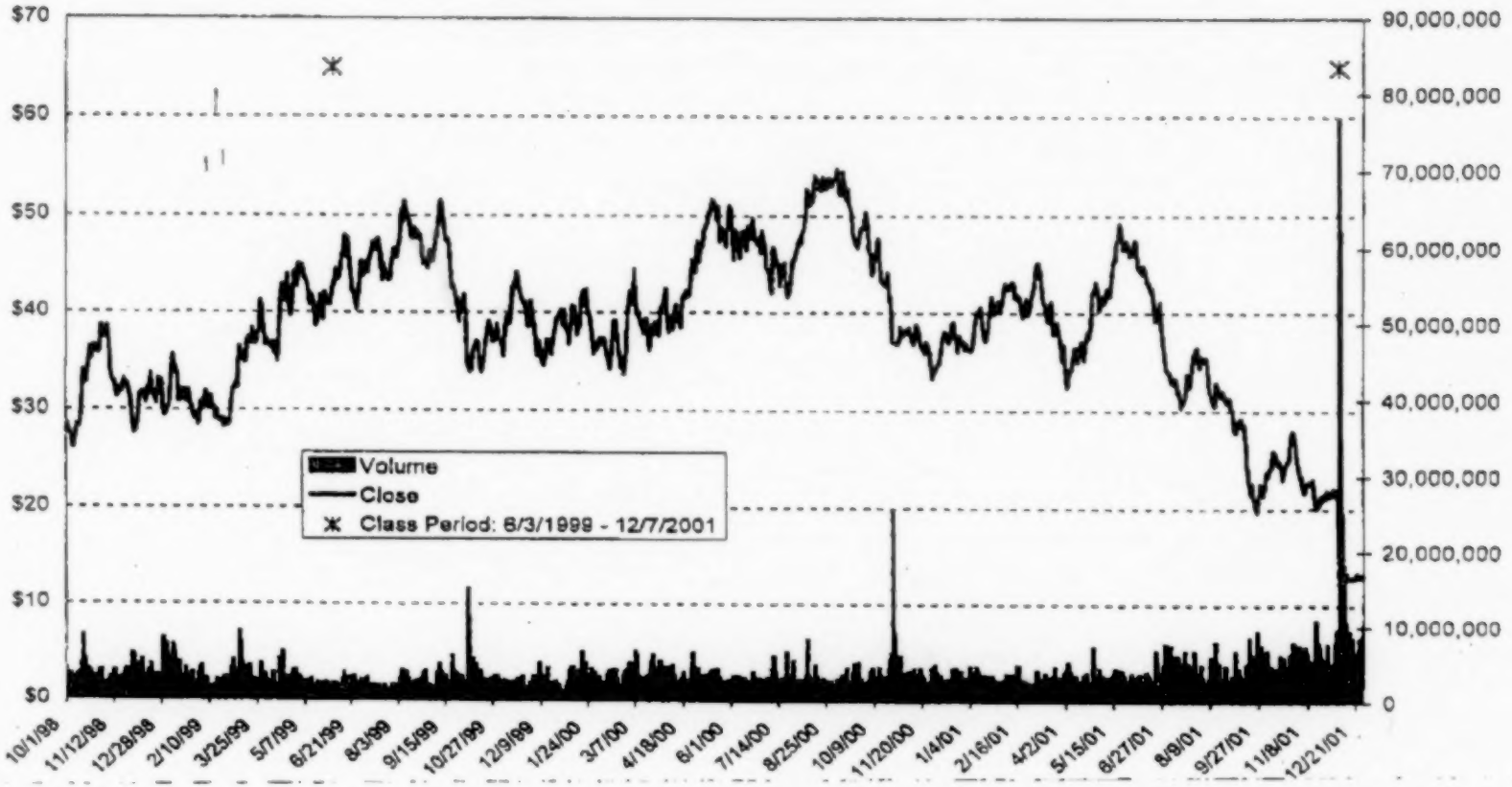
Document	Date
THE ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., et al., On Behalf of Itself and All Others Similarly Situated vs. HALLIBURTON COMPANY, et al., Fourth Consolidated Amended Complaint for Violation of the Securities Act of 1934	4/4/2006
Declaration of Scott D. Hakala In re: Halliburton Company Securities Litigation	8/16/2004
Complaint: SEC v. Halliburton Co., et al.	
Court Decision: Oscar Private Equity Investments v. Allegiance Telecom, Inc. C.A.5 (Tex.), 2007.	5/16/2007
Analyst Reports from Reuters Research	1998-2002
Analyst Reports from Thompson Financial	1998-2002
Daily Stock Price Data for Companies Considered for Industry Index from FactSet Research Systems, Inc.	1998-2002
Halliburton Conference Call Transcript from Counsel	4Q99
Halliburton Conference Call Transcript from Counsel	7/25/2000
Halliburton Conference Call Transcript from Counsel	4/26/2000
Halliburton Conference Call Transcript from Counsel	4/25/2001
Halliburton Conference Call Transcript from Counsel	7/26/2001
Halliburton Conference Call Transcript from Counsel	10/23/2001
Halliburton Press Releases from PR Newswires Association LLC.	1999-2001
Halliburton Short Interest from Bloomberg L.P.	1999-2001
Halliburton Stock Price, Volume, Capital Change, Dividends and Split Data from FactSet Research Systems, Inc.	1998-2002
Insider Trading Report from FactSet Research Systems, Inc.	1999-2002
Institutional Holdings Data from FactSet Research Systems, Inc.	3/99 - 3/02
Intraday Price, Volume, and Quote Data for Halliburton and Industry Competitors from TAQ	1998-2002
News Articles Relating to Halliburton from Factiva	1999-2002
News Articles Relating to Halliburton from WestLaw and Lexis Nexis provided from Counsel	1998-2001
SEC filings for Halliburton and Competitors Including, 10Ks, 10Qs, 8Ks, Proxies, and Registration Statements from EDGAR	1995-2003

SA8
App. 114
USCA5 6971

Exhibit 3

Exhibit 3

Halliburton Co. (HAL) Stock Price and Volume (Not split-adjusted)
10/1/1998-12/31/2001



Source: FactSet Research Systems, Inc.

Exhibit 3

Halliburton Co. (HAL)

Price and Volume Data 10/1/1998 - 12/31/2001 (Not Split-Adjusted)
Class Period: 6/3/1999 - 12/7/2001
Source: FactSet Research Systems, Inc.

Date	Volume	Close
10/1/1998	3,950,300	$27.7500
10/2/1998	3,185,800	$28.5000
10/5/1998	2,494,300	$27.5625
10/6/1998	3,295,700	$27.6875
10/7/1998	2,067,700	$26.1875
10/8/1998	2,788,300	$26.1875
10/9/1998	1,393,600	$27.1250
10/12/1998	3,180,900	$28.5000
10/13/1998	3,349,200	$28.1875
10/14/1998	3,255,800	$28.3125
10/15/1998	4,716,300	$29.9375
10/16/1998	8,526,000	$34.0000
10/19/1998	5,267,800	$33.7500
10/20/1998	3,543,800	$32.7500
10/21/1998	3,958,800	$34.5000
10/22/1998	3,578,100	$36.3750
10/23/1998	2,799,900	$35.1250
10/26/1998	2,417,400	$36.4375
10/27/1998	3,012,900	$36.5625
10/28/1998	2,625,300	$36.0000
10/29/1998	1,773,900	$35.7500
10/30/1998	3,775,500	$36.0000
11/2/1998	3,814,200	$38.5625
11/3/1998	1,979,500	$37.8125
11/4/1998	1,780,900	$37.4375
11/5/1998	1,593,400	$38.3750
11/6/1998	2,147,000	$38.5000
11/9/1998	2,485,900	$36.1875
11/10/1998	2,801,600	$33.8750
11/11/1998	2,867,600	$33.0625
11/12/1998	3,759,200	$32.7500
11/13/1998	2,643,500	$32.3125
11/16/1998	2,580,000	$31.3125
11/17/1998	2,126,200	$32.1875
11/18/1998	2,807,100	$31.7500
11/19/1998	1,644,300	$32.0000
11/20/1998	3,298,500	$33.0625
11/23/1998	3,748,800	$32.6875
11/24/1998	3,982,000	$32.5625
11/25/1998	2,362,900	$32.0625
11/27/1998	2,034,600	$31.1250
11/30/1998	6,024,400	$29.3750

Exhibit 3

Date	Volume	Close
12/1/1998	5,744,400	$27.6250
12/2/1998	3,954,300	$28.0000
12/3/1998	4,532,600	$28.3125
12/4/1998	3,181,300	$29.6875
12/7/1998	3,938,500	$31.6250
12/8/1998	5,181,500	$31.5625
12/9/1998	2,602,400	$31.8125
12/10/1998	3,011,100	$31.1875
12/11/1998	1,919,400	$30.7500
12/14/1998	3,367,700	$32.2500
12/15/1998	3,729,300	$31.5000
12/16/1998	4,675,500	$33.6250
12/17/1998	3,166,800	$31.7500
12/18/1998	2,709,500	$31.8125
12/21/1998	2,533,300	$31.0000
12/22/1998	3,234,600	$30.6250
12/23/1998	2,977,900	$33.1250
12/24/1998	959,300	$33.0000
12/28/1998	1,653,600	$32.9375
12/29/1998	8,155,800	$30.3750
12/30/1998	3,783,800	$29.3750
12/31/1998	7,334,300	$29.6250
1/4/1999	4,607,500	$30.1875
1/5/1999	2,810,900	$30.3750
1/6/1999	5,702,600	$32.6875
1/7/1999	7,333,700	$35.5000
1/8/1999	6,199,200	$34.3750
1/11/1999	4,605,100	$34.1250
1/12/1999	3,087,600	$33.2500
1/13/1999	4,917,600	$30.8125
1/14/1999	2,907,400	$31.0625
1/15/1999	1,776,000	$31.5625
1/19/1999	2,023,300	$32.0000
1/20/1999	4,103,200	$30.8125
1/21/1999	2,992,500	$31.6250
1/22/1999	2,651,400	$32.0000
1/25/1999	1,944,100	$30.5000
1/26/1999	3,488,500	$30.3125
1/27/1999	2,188,600	$29.3125
1/28/1999	2,216,900	$29.0625
1/29/1999	2,287,800	$29.6875
2/1/1999	3,298,100	$28.5000
2/2/1999	4,099,500	$28.7500
2/3/1999	4,434,200	$30.7500
2/4/1999	2,417,900	$30.0000
2/5/1999	2,759,400	$31.0000
2/8/1999	2,604,800	$31.8125
2/9/1999	1,515,300	$30.5000
2/10/1999	1,614,400	$30.0625
2/11/1999	1,330,300	$31.3125

Exhibit 3

Date	Volume	Close
2/12/1999	1,412,500	$30.3125
2/16/1999	1,777,700	$30.2500
2/17/1999	1,752,900	$29.0625
2/18/1999	2,565,200	$29.9375
2/19/1999	1,895,600	$28.8750
2/22/1999	1,640,600	$28.9375
2/23/1999	2,466,900	$29.0625
2/24/1999	2,794,300	$28.2500
2/25/1999	2,925,100	$28.9375
2/26/1999	2,082,300	$28.5000
3/1/1999	1,358,100	$28.4375
3/2/1999	1,120,400	$28.6875
3/3/1999	4,009,200	$30.4219
3/4/1999	5,146,300	$32.0625
3/5/1999	3,632,400	$32.2500
3/8/1999	2,870,800	$32.6250
3/9/1999	2,997,500	$32.2500
3/10/1999	9,072,000	$36.4375
3/11/1999	7,761,300	$35.1250
3/12/1999	4,479,700	$35.7500
3/15/1999	2,125,000	$35.8125
3/16/1999	2,040,900	$34.8750
3/17/1999	4,258,900	$37.1250
3/18/1999	4,470,500	$37.3750
3/19/1999	2,743,200	$36.8750
3/22/1999	2,235,300	$38.2500
3/23/1999	2,569,800	$37.5000
3/24/1999	2,285,200	$36.7500
3/25/1999	2,271,700	$37.5000
3/26/1999	2,537,800	$38.1250
3/29/1999	4,654,100	$41.1875
3/30/1999	3,194,100	$40.3750
3/31/1999	2,659,100	$38.5000
4/1/1999	3,314,400	$36.6250
4/5/1999	2,460,700	$37.2500
4/6/1999	2,044,200	$36.8750
4/7/1999	2,288,500	$36.5000
4/8/1999	2,104,000	$36.3125
4/9/1999	3,459,800	$36.9375
4/12/1999	1,698,600	$35.7500
4/13/1999	1,453,800	$36.7500
4/14/1999	1,733,200	$35.0000
4/15/1999	5,266,600	$37.6875
4/16/1999	5,443,200	$41.3750
4/19/1999	6,398,400	$42.8750
4/20/1999	2,840,400	$41.1250
4/21/1999	2,705,000	$41.3750
4/22/1999	2,909,300	$43.8750
4/23/1999	2,094,600	$41.1875
4/26/1999	1,454,600	$39.6250

Exhibit 3

Date	Volume	Close
4/27/1999	3,391,500	$40.7500
4/28/1999	3,783,400	$43.8750
4/29/1999	3,892,000	$44.2500
4/30/1999	2,110,900	$42.6250
5/3/1999	3,078,400	$45.0000
5/4/1999	2,803,700	$44.0000
5/5/1999	2,373,300	$44.8750
5/6/1999	2,025,600	$43.5000
5/7/1999	1,992,200	$43.6250
5/10/1999	2,484,000	$43.1250
5/11/1999	1,930,300	$42.3125
5/12/1999	2,152,600	$40.7500
5/13/1999	2,815,300	$41.8125
5/14/1999	1,842,400	$41.1250
5/17/1999	1,450,800	$40.6250
5/18/1999	1,816,700	$38.6250
5/19/1999	2,193,900	$39.0000
5/20/1999	2,019,600	$40.2500
5/21/1999	2,069,600	$41.7500
5/24/1999	1,752,200	$39.8750
5/25/1999	2,070,500	$39.2500
5/26/1999	2,330,400	$42.0000
5/27/1999	2,121,800	$41.3125
5/28/1999	1,214,700	$41.3750
6/1/1999	1,330,300	$40.7500
6/2/1999	1,777,500	$41.5000
6/3/1999	2,127,100	$42.8750
6/4/1999	1,354,200	$43.0000
6/7/1999	2,117,300	$44.4375
6/8/1999	1,801,800	$43.4375
6/9/1999	1,459,100	$43.5000
6/10/1999	1,452,600	$43.8750
6/11/1999	2,657,500	$46.0625
6/14/1999	3,579,100	$46.1875
6/15/1999	2,890,000	$47.9375
6/16/1999	2,611,200	$45.6875
6/17/1999	2,358,800	$47.6250
6/18/1999	2,918,300	$45.8750
6/21/1999	1,407,300	$43.8125
6/22/1999	2,232,800	$42.0625
6/23/1999	3,099,200	$42.1875
6/24/1999	2,309,500	$41.1250
6/25/1999	2,069,600	$40.3750
6/28/1999	2,123,900	$41.6250
6/29/1999	1,512,500	$43.3750
6/30/1999	2,675,100	$45.2500
7/1/1999	2,050,100	$43.7500
7/2/1999	1,046,900	$44.5000
7/6/1999	2,841,600	$45.2500
7/7/1999	1,648,500	$44.1250

Exhibit 3

Date	Volume	Close
7/8/1999	1,942,200	$45.6875
7/9/1999	1,311,700	$45.9375
7/12/1999	1,397,600	$47.2500
7/13/1999	1,948,400	$46.5000
7/14/1999	1,805,000	$47.1875
7/15/1999	1,801,900	$47.5625
7/16/1999	1,057,900	$46.5000
7/19/1999	914,200	$45.7500
7/20/1999	1,349,400	$43.3125
7/21/1999	1,869,500	$44.9375
7/22/1999	1,272,300	$44.0000
7/23/1999	1,419,200	$44.0625
7/26/1999	991,400	$43.3125
7/27/1999	1,234,600	$43.5625
7/28/1999	1,992,800	$45.4375
7/29/1999	1,940,100	$46.5000
7/30/1999	1,308,100	$46.1250
8/2/1999	1,813,000	$45.7500
8/3/1999	1,619,000	$46.8125
8/4/1999	2,756,700	$47.7500
8/5/1999	3,880,300	$50.5000
8/6/1999	2,916,300	$49.3125
8/9/1999	3,692,300	$51.4375
8/10/1999	3,468,100	$50.2500
8/11/1999	2,748,500	$50.0000
8/12/1999	1,641,300	$49.1250
8/13/1999	2,160,300	$47.9375
8/16/1999	1,562,800	$47.6250
8/17/1999	2,376,300	$48.7500
8/18/1999	1,846,300	$47.5625
8/19/1999	2,556,400	$48.3750
8/20/1999	1,971,000	$48.0000
8/23/1999	2,406,700	$48.0000
8/24/1999	2,742,000	$46.5000
8/25/1999	3,400,300	$45.0000
8/26/1999	3,771,600	$45.1875
8/27/1999	1,295,800	$45.4375
8/30/1999	1,494,400	$44.6250
8/31/1999	1,876,900	$46.3750
9/1/1999	1,616,000	$45.9375
9/2/1999	1,111,000	$45.3125
9/3/1999	925,400	$46.0000
9/7/1999	3,508,500	$48.3125
9/8/1999	2,419,100	$47.8750
9/9/1999	4,705,100	$50.7500
9/10/1999	3,499,300	$51.4375
9/13/1999	2,239,400	$50.3125
9/14/1999	2,550,100	$49.0625
9/15/1999	3,145,000	$47.3750
9/16/1999	1,902,400	$47.5625

Exhibit 3

Date	Volume	Close
9/17/1999	1,777,700	$47.5000
9/20/1999	2,223,400	$45.0000
9/21/1999	5,839,200	$42.5000
9/22/1999	3,772,500	$42.7500
9/23/1999	2,461,500	$42.1250
9/24/1999	3,489,000	$40.6875
9/27/1999	2,169,100	$41.4375
9/28/1999	3,145,000	$39.0625
9/29/1999	2,936,600	$40.7500
9/30/1999	2,304,000	$41.0000
10/1/1999	1,586,800	$41.8125
10/4/1999	1,524,000	$39.7500
10/5/1999	14,721,200	$34.5000
10/6/1999	10,898,900	$35.4375
10/7/1999	4,928,100	$33.9375
10/8/1999	5,444,000	$34.1250
10/11/1999	4,288,600	$36.1875
10/12/1999	4,703,100	$36.6875
10/13/1999	3,337,600	$37.0625
10/14/1999	2,208,200	$36.7500
10/15/1999	3,823,400	$34.6250
10/18/1999	2,471,100	$33.8750
10/19/1999	2,035,400	$34.4375
10/20/1999	2,720,200	$35.7500
10/21/1999	2,307,300	$37.2500
10/22/1999	2,344,400	$38.6250
10/25/1999	2,627,300	$39.0000
10/26/1999	2,857,200	$38.3125
10/27/1999	2,854,700	$37.0000
10/28/1999	3,186,700	$37.0625
10/29/1999	2,745,900	$37.6875
11/1/1999	3,166,300	$38.7500
11/2/1999	1,612,200	$37.1875
11/3/1999	2,571,000	$37.1875
11/4/1999	1,332,500	$36.7500
11/5/1999	2,629,800	$35.5625
11/8/1999	1,999,900	$37.7500
11/9/1999	2,511,500	$39.3750
11/10/1999	2,417,900	$39.8750
11/11/1999	2,136,200	$38.8750
11/12/1999	2,237,000	$41.6875
11/15/1999	2,487,800	$43.0000
11/16/1999	2,387,300	$42.5625
11/17/1999	2,822,300	$44.1250
11/18/1999	1,996,600	$42.8125
11/19/1999	2,226,300	$42.0625
11/22/1999	3,079,600	$41.3125
11/23/1999	1,721,400	$40.9375
11/24/1999	1,491,100	$41.0625
11/26/1999	593,200	$40.0625

Exhibit 3

Date	Volume	Close
11/29/1999	1,557,800	$38.5625
11/30/1999	2,307,000	$38.6250
12/1/1999	1,944,400	$41.1250
12/2/1999	3,109,900	$39.5000
12/3/1999	1,844,000	$38.4375
12/6/1999	2,434,700	$37.0625
12/7/1999	3,184,200	$35.5625
12/8/1999	4,884,500	$37.0000
12/9/1999	3,245,600	$36.1250
12/10/1999	2,268,400	$34.9375
12/13/1999	2,040,600	$34.5625
12/14/1999	2,936,100	$35.0625
12/15/1999	4,228,700	$37.1875
12/16/1999	2,201,300	$37.1250
12/17/1999	2,261,300	$36.7500
12/20/1999	1,305,800	$35.7500
12/21/1999	1,865,900	$37.1875
12/22/1999	2,551,200	$38.3125
12/23/1999	1,674,100	$39.3125
12/27/1999	1,985,700	$39.5000
12/28/1999	1,072,300	$39.8750
12/29/1999	1,130,800	$40.2500
12/30/1999	773,200	$38.7500
12/31/1999	805,900	$40.2500
1/3/2000	1,745,100	$38.3125
1/4/2000	2,484,100	$38.5000
1/5/2000	3,762,300	$36.8125
1/6/2000	4,434,300	$38.3125
1/7/2000	4,368,700	$40.6875
1/10/2000	2,720,500	$39.0625
1/11/2000	2,876,000	$40.5000
1/12/2000	2,920,300	$37.7500
1/13/2000	3,852,600	$38.2500
1/14/2000	3,541,500	$38.5625
1/18/2000	6,354,200	$41.6875
1/19/2000	3,856,000	$42.1875
1/20/2000	4,899,000	$40.8125
1/21/2000	3,227,800	$42.3750
1/24/2000	3,026,100	$39.8750
1/25/2000	2,874,000	$40.0000
1/26/2000	4,110,400	$38.6875
1/27/2000	3,352,000	$37.5000
1/28/2000	3,666,700	$35.8125
1/31/2000	2,967,700	$36.1250
2/1/2000	2,995,600	$36.3750
2/2/2000	3,056,700	$37.1250
2/3/2000	2,135,900	$37.3750
2/4/2000	2,338,100	$36.8125
2/7/2000	1,941,700	$37.3750
2/8/2000	2,279,800	$36.8750

Exhibit 3

Date	Volume	Close
2/9/2000	3,264,400	$35.5000
2/10/2000	3,803,200	$35.4375
2/11/2000	3,103,600	$34.2500
2/14/2000	3,095,600	$35.9375
2/15/2000	3,989,300	$38.5000
2/16/2000	3,824,200	$39.1250
2/17/2000	2,701,500	$38.5000
2/18/2000	1,796,900	$36.6875
2/22/2000	1,893,100	$35.5000
2/23/2000	1,844,400	$34.3125
2/24/2000	3,161,600	$35.4375
2/25/2000	3,724,000	$33.6875
2/28/2000	2,634,700	$35.0000
2/29/2000	3,912,100	$38.1875
3/1/2000	4,952,600	$40.9375
3/2/2000	4,768,100	$42.1875
3/3/2000	3,880,700	$40.8750
3/6/2000	2,872,700	$41.2500
3/7/2000	6,504,100	$44.5000
3/8/2000	5,965,000	$39.8750
3/9/2000	3,038,500	$40.1250
3/10/2000	2,182,400	$39.5625
3/13/2000	2,587,400	$38.8750
3/14/2000	2,894,500	$38.4375
3/15/2000	1,718,300	$37.8750
3/16/2000	3,031,200	$39.3750
3/17/2000	3,231,500	$38.3750
3/20/2000	3,868,100	$36.1875
3/21/2000	5,147,100	$37.5000
3/22/2000	6,013,500	$38.6875
3/23/2000	4,305,800	$37.8750
3/24/2000	3,593,600	$39.0000
3/27/2000	3,490,500	$38.1250
3/28/2000	5,176,000	$37.6875
3/29/2000	4,944,700	$40.2500
3/30/2000	4,372,300	$40.5625
3/31/2000	2,498,800	$41.1250
4/3/2000	2,452,600	$42.5000
4/4/2000	4,340,700	$40.0000
4/5/2000	2,657,300	$38.0000
4/6/2000	3,241,300	$39.1875
4/7/2000	4,532,400	$39.6250
4/10/2000	3,265,200	$38.3125
4/11/2000	2,446,100	$40.1875
4/12/2000	2,172,000	$40.8125
4/13/2000	2,217,800	$39.3125
4/14/2000	2,603,600	$38.8750
4/17/2000	2,843,900	$38.4375
4/18/2000	3,619,400	$41.6875
4/19/2000	2,602,000	$41.4375

Exhibit 3

Date	Volume	Close
4/20/2000	2,501,500	$42.2500
4/24/2000	2,149,100	$41.6250
4/25/2000	2,772,700	$41.7500
4/26/2000	4,061,900	$43.6250
4/27/2000	6,211,200	$45.5000
4/28/2000	2,726,800	$44.1875
5/1/2000	2,564,600	$44.2500
5/2/2000	4,271,000	$47.3750
5/3/2000	3,227,100	$45.2500
5/4/2000	2,462,900	$47.0000
5/5/2000	2,919,400	$46.8750
5/8/2000	3,223,000	$48.3750
5/9/2000	2,845,900	$48.9375
5/10/2000	3,447,500	$49.1875
5/11/2000	3,282,700	$50.3750
5/12/2000	3,716,800	$50.0859
5/15/2000	3,953,300	$51.5625
5/16/2000	3,477,600	$51.5000
5/17/2000	4,051,700	$51.0000
5/18/2000	4,052,000	$49.6250
5/19/2000	2,898,600	$50.8750
5/22/2000	2,964,900	$47.3750
5/23/2000	2,154,900	$48.7500
5/24/2000	2,451,600	$48.5000
5/25/2000	2,107,200	$48.3125
5/26/2000	1,090,200	$46.8750
5/30/2000	2,695,300	$49.0000
5/31/2000	2,626,300	$50.9375
6/1/2000	2,617,800	$50.7500
6/2/2000	3,156,000	$48.2500
6/5/2000	3,201,300	$45.5625
6/6/2000	2,809,400	$48.5000
6/7/2000	2,133,400	$47.5000
6/8/2000	3,202,100	$46.6250
6/9/2000	2,567,000	$45.6875
6/12/2000	2,181,600	$48.3125
6/13/2000	2,982,400	$48.4375
6/14/2000	1,858,800	$47.6875
6/15/2000	2,486,200	$46.5000
6/16/2000	2,485,700	$48.9375
6/19/2000	1,916,800	$48.0000
6/20/2000	2,519,600	$47.6875
6/21/2000	3,680,800	$49.7500
6/22/2000	2,867,100	$47.5625
6/23/2000	1,719,000	$47.5625
6/26/2000	2,061,600	$47.0625
6/27/2000	2,896,700	$47.6875
6/28/2000	2,537,600	$46.1875
6/29/2000	2,767,400	$48.4375
6/30/2000	2,488,900	$47.1875

Exhibit 3

Date	Volume	Close
7/3/2000	481,800	$46.9375
7/5/2000	2,991,700	$44.5625
7/6/2000	2,741,600	$44.4375
7/7/2000	2,484,000	$43.6875
7/10/2000	4,095,200	$42.0000
7/11/2000	5,876,700	$46.7500
7/12/2000	3,642,800	$45.9375
7/13/2000	2,495,300	$45.3125
7/14/2000	2,312,200	$44.8125
7/17/2000	2,680,700	$42.8750
7/18/2000	2,921,600	$44.8750
7/19/2000	1,671,500	$44.9375
7/20/2000	2,014,400	$45.1250
7/21/2000	6,383,100	$42.2500
7/24/2000	2,631,600	$41.6875
7/25/2000	3,464,700	$42.2500
7/26/2000	3,068,100	$43.5625
7/27/2000	5,171,000	$45.3750
7/28/2000	2,194,900	$45.4375
7/31/2000	2,241,200	$46.1250
8/1/2000	2,656,600	$46.8125
8/2/2000	2,763,900	$47.5625
8/3/2000	2,726,700	$47.1250
8/4/2000	2,726,800	$48.2500
8/7/2000	2,029,700	$48.6875
8/8/2000	3,249,600	$49.8125
8/9/2000	8,175,100	$52.6250
8/10/2000	3,280,900	$52.1250
8/11/2000	2,034,700	$51.0000
8/14/2000	2,803,000	$52.2500
8/15/2000	2,115,400	$51.4375
8/16/2000	4,677,300	$54.0000
8/17/2000	3,153,000	$53.7500
8/18/2000	2,585,400	$52.6875
8/21/2000	1,837,100	$53.4375
8/22/2000	2,687,700	$52.5625
8/23/2000	2,898,600	$53.8750
8/24/2000	1,616,700	$53.1250
8/25/2000	1,554,000	$52.6875
8/28/2000	2,168,500	$53.6250
8/29/2000	2,617,200	$53.7500
8/30/2000	2,619,300	$53.0625
8/31/2000	1,983,400	$53.0000
9/1/2000	837,600	$53.6250
9/5/2000	1,905,400	$53.6250
9/6/2000	2,821,400	$54.6875
9/7/2000	1,468,100	$53.4375
9/8/2000	1,850,200	$52.0625
9/11/2000	3,331,300	$54.2500
9/12/2000	2,529,200	$54.3750

Exhibit 3

Date	Volume	Close
9/13/2000	1,806,100	$52.1875
9/14/2000	4,278,100	$51.5000
9/15/2000	2,626,500	$52.6875
9/18/2000	1,688,000	$51.0000
9/19/2000	2,081,800	$50.5625
9/20/2000	3,720,400	$48.6250
9/21/2000	4,869,300	$47.5625
9/22/2000	2,586,100	$47.0625
9/25/2000	5,007,100	$46.7500
9/26/2000	1,915,500	$47.6250
9/27/2000	2,851,200	$48.6875
9/28/2000	1,811,200	$48.6250
9/29/2000	2,122,500	$48.9375
10/2/2000	2,320,700	$50.3750
10/3/2000	1,997,200	$49.6250
10/4/2000	2,721,900	$46.3750
10/5/2000	3,790,000	$46.2500
10/6/2000	4,358,100	$43.9375
10/9/2000	2,971,500	$44.3750
10/10/2000	2,527,800	$46.0000
10/11/2000	2,443,600	$46.4375
10/12/2000	4,378,700	$47.6250
10/13/2000	3,124,600	$45.2500
10/16/2000	2,928,800	$43.1875
10/17/2000	2,906,200	$43.3750
10/18/2000	3,153,800	$42.8750
10/19/2000	2,805,100	$42.8125
10/20/2000	3,026,700	$44.0625
10/23/2000	5,307,600	$41.1875
10/24/2000	6,252,200	$41.6250
10/25/2000	25,345,200	$37.0625
10/26/2000	8,901,500	$37.1250
10/27/2000	5,615,600	$37.0000
10/30/2000	5,936,500	$36.7500
10/31/2000	4,845,500	$37.0625
11/1/2000	5,854,800	$38.5625
11/2/2000	3,270,300	$37.6875
11/3/2000	3,399,100	$37.6875
11/6/2000	3,569,500	$38.2500
11/7/2000	3,838,200	$38.0000
11/8/2000	3,189,200	$38.5000
11/9/2000	3,767,900	$37.9375
11/10/2000	2,710,800	$37.1250
11/13/2000	4,237,300	$36.7500
11/14/2000	3,065,800	$37.6250
11/15/2000	3,537,200	$38.7500
11/16/2000	3,303,500	$38.1875
11/17/2000	4,316,800	$37.1875
11/20/2000	3,381,300	$36.5000
11/21/2000	2,995,900	$36.3125

Exhibit 3

Date	Volume	Close
11/22/2000	2,259,100	$35.8750
11/24/2000	920,100	$37.0000
11/27/2000	1,630,100	$36.6875
11/28/2000	2,461,400	$35.8125
11/29/2000	4,147,200	$34.7500
11/30/2000	4,437,200	$33.3750
12/1/2000	4,744,100	$33.8750
12/4/2000	3,779,200	$34.1875
12/5/2000	2,786,800	$34.6875
12/6/2000	3,401,100	$34.7500
12/7/2000	3,157,600	$35.8750
12/8/2000	2,428,500	$36.7500
12/11/2000	2,716,700	$37.9375
12/12/2000	1,730,700	$38.0625
12/13/2000	2,828,100	$37.6250
12/14/2000	2,612,100	$36.9375
12/15/2000	2,810,300	$37.2500
12/18/2000	4,179,600	$38.7500
12/19/2000	4,180,700	$39.0625
12/20/2000	4,414,400	$37.7500
12/21/2000	3,080,200	$37.0000
12/22/2000	3,002,500	$36.0000
12/26/2000	3,928,500	$37.6250
12/27/2000	2,351,900	$37.0000
12/28/2000	2,979,500	$37.1250
12/29/2000	2,811,200	$36.2500
1/2/2001	2,427,800	$36.8125
1/3/2001	2,989,200	$36.3125
1/4/2001	4,554,200	$36.1875
1/5/2001	2,984,800	$36.0625
1/8/2001	3,122,000	$36.5625
1/9/2001	3,805,700	$38.0625
1/10/2001	4,506,100	$39.3125
1/11/2001	3,902,100	$40.1250
1/12/2001	2,773,700	$40.0625
1/16/2001	2,879,500	$40.5625
1/17/2001	3,252,000	$39.0000
1/18/2001	3,405,500	$37.5625
1/19/2001	3,266,100	$37.1250
1/22/2001	1,794,700	$37.3125
1/23/2001	2,457,500	$38.6250
1/24/2001	3,319,600	$39.8125
1/25/2001	3,301,000	$41.6250
1/26/2001	2,812,900	$40.7500
1/29/2001	1,462,800	$39.9000
1/30/2001	1,931,900	$40.2600
1/31/2001	2,635,600	$41.1900
2/1/2001	1,834,400	$40.2000
2/2/2001	2,711,600	$40.1100
2/5/2001	2,521,500	$41.1000

Exhibit 3

Date	Volume	Close
2/6/2001	2,893,400	$42.6500
2/7/2001	3,563,100	$43.0000
2/8/2001	3,283,100	$42.8000
2/9/2001	1,815,300	$42.4700
2/12/2001	2,988,100	$42.6500
2/13/2001	3,469,000	$43.2500
2/14/2001	3,329,600	$43.1400
2/15/2001	3,177,400	$41.5300
2/16/2001	4,678,300	$41.9000
2/20/2001	4,636,300	$41.6900
2/21/2001	2,428,400	$41.5000
2/22/2001	2,759,900	$40.0800
2/23/2001	1,890,800	$39.5500
2/26/2001	2,641,300	$40.7600
2/27/2001	2,362,700	$41.4500
2/28/2001	2,299,000	$39.8200
3/1/2001	1,703,900	$40.2100
3/2/2001	2,173,800	$41.3200
3/5/2001	1,623,200	$42.1200
3/6/2001	2,407,600	$42.8500
3/7/2001	3,966,100	$44.7500
3/8/2001	3,101,000	$45.1600
3/9/2001	2,768,900	$44.5100
3/12/2001	2,526,500	$43.0600
3/13/2001	2,816,900	$41.1800
3/14/2001	3,596,200	$40.8600
3/15/2001	3,056,800	$39.9900
3/16/2001	2,877,700	$39.1000
3/19/2001	3,041,000	$40.6100
3/20/2001	3,145,200	$41.1000
3/21/2001	3,320,800	$38.7900
3/22/2001	4,495,900	$37.8600
3/23/2001	2,957,900	$38.8500
3/26/2001	2,664,700	$38.9700
3/27/2001	3,092,200	$38.0000
3/28/2001	2,857,600	$36.7900
3/29/2001	3,030,200	$35.1300
3/30/2001	3,686,300	$36.7500
4/2/2001	4,008,700	$34.2000
4/3/2001	5,114,000	$32.4100
4/4/2001	4,892,300	$32.8900
4/5/2001	3,789,800	$34.2500
4/6/2001	3,240,000	$34.1800
4/9/2001	2,201,100	$35.3900
4/10/2001	3,249,000	$36.4000
4/11/2001	2,600,200	$35.1800
4/12/2001	2,521,900	$35.0400
4/16/2001	2,235,800	$36.3000
4/17/2001	2,564,000	$37.1300
4/18/2001	3,500,200	$36.1300

Exhibit 3

Date	Volume	Close
4/19/2001	2,672,400	$35.2300
4/20/2001	3,761,100	$37.0300
4/23/2001	2,457,000	$38.0500
4/24/2001	2,373,300	$37.5600
4/25/2001	1,558,600	$38.6200
4/26/2001	7,227,700	$42.1300
4/27/2001	3,533,200	$42.1100
4/30/2001	2,793,800	$43.2100
5/1/2001	2,232,200	$42.4600
5/2/2001	4,331,900	$40.3000
5/3/2001	3,474,300	$40.5000
5/4/2001	3,244,900	$41.7600
5/7/2001	1,859,000	$41.0800
5/8/2001	2,048,200	$41.2300
5/9/2001	3,169,400	$42.5100
5/10/2001	2,191,600	$42.6000
5/11/2001	2,163,100	$41.7900
5/14/2001	3,406,000	$43.9500
5/15/2001	3,831,400	$45.3500
5/16/2001	4,259,400	$45.4100
5/17/2001	4,048,000	$47.3100
5/18/2001	3,780,500	$47.8100
5/21/2001	3,762,900	$49.2000
5/22/2001	4,019,000	$47.9900
5/23/2001	3,347,700	$46.6200
5/24/2001	2,488,800	$46.5900
5/25/2001	2,105,600	$47.5100
5/29/2001	2,037,800	$47.0500
5/30/2001	2,869,700	$45.9700
5/31/2001	3,660,300	$46.7400
6/1/2001	2,795,600	$46.1200
6/4/2001	3,036,100	$47.5100
6/5/2001	2,383,000	$47.4000
6/6/2001	3,261,700	$45.0000
6/7/2001	3,498,800	$44.4200
6/8/2001	1,502,800	$44.8000
6/11/2001	2,331,600	$44.0700
6/12/2001	2,063,600	$44.7700
6/13/2001	3,813,100	$44.3000
6/14/2001	3,303,100	$43.2700
6/15/2001	3,386,200	$43.1200
6/18/2001	1,924,800	$42.3900
6/19/2001	1,845,000	$42.5800
6/20/2001	2,738,600	$41.5000
6/21/2001	6,794,700	$39.2400
6/22/2001	5,103,100	$39.2600
6/25/2001	3,685,500	$39.5900
6/26/2001	3,756,700	$41.1300
6/27/2001	3,618,300	$38.6500
6/28/2001	4,739,300	$37.1700

Exhibit 3

Date	Volume	Close
6/29/2001	7,630,500	$35.6000
7/2/2001	5,892,700	$34.1500
7/3/2001	3,975,400	$34.0500
7/5/2001	7,347,000	$33.9400
7/6/2001	5,854,700	$33.1700
7/9/2001	4,116,200	$32.8000
7/10/2001	5,189,200	$33.2900
7/11/2001	6,043,100	$33.2200
7/12/2001	5,796,900	$31.7700
7/13/2001	4,963,000	$32.1500
7/16/2001	4,605,800	$30.4000
7/17/2001	5,059,600	$30.6600
7/18/2001	6,669,400	$31.0100
7/19/2001	4,260,000	$31.5500
7/20/2001	4,941,900	$33.7400
7/23/2001	3,236,300	$33.6400
7/24/2001	2,627,500	$32.4400
7/25/2001	4,537,000	$34.2500
7/26/2001	6,659,300	$35.5000
7/27/2001	3,532,000	$36.1000
7/30/2001	3,669,600	$36.4500
7/31/2001	2,901,200	$35.0100
8/1/2001	4,695,000	$34.4500
8/2/2001	3,049,700	$35.4900
8/3/2001	2,372,700	$35.1600
8/6/2001	1,729,200	$35.3000
8/7/2001	2,500,500	$35.3600
8/8/2001	2,953,200	$33.5000
8/9/2001	5,756,400	$32.0000
8/10/2001	5,404,200	$31.5000
8/13/2001	5,588,800	$30.8000
8/14/2001	7,851,800	$30.5400
8/15/2001	5,016,900	$32.8400
8/16/2001	4,973,500	$32.3000
8/17/2001	1,891,200	$31.9200
8/20/2001	1,763,800	$31.4800
8/21/2001	2,875,600	$32.0500
8/22/2001	4,648,000	$31.4400
8/23/2001	2,831,800	$30.8400
8/24/2001	2,611,400	$31.0800
8/27/2001	2,031,200	$31.3000
8/28/2001	3,249,600	$30.4500
8/29/2001	2,650,000	$30.1500
8/30/2001	6,568,100	$28.0000
8/31/2001	4,332,500	$27.8600
9/4/2001	4,349,900	$28.8600
9/5/2001	3,483,400	$29.0100
9/6/2001	3,102,000	$29.2100
9/7/2001	2,615,900	$28.2800
9/10/2001	2,375,700	$28.7300

Exhibit 3

Date	Volume	Close
9/17/2001	4,877,400	$26.6500
9/18/2001	4,361,400	$24.5000
9/19/2001	8,493,800	$22.6500
9/20/2001	5,912,400	$21.5600
9/21/2001	6,136,200	$22.5800
9/24/2001	5,241,400	$21.2000
9/25/2001	5,899,100	$20.0600
9/26/2001	9,319,500	$19.7000
9/27/2001	6,337,700	$20.9000
9/28/2001	7,327,100	$22.5500
10/1/2001	6,243,500	$21.9000
10/2/2001	3,802,800	$21.4200
10/3/2001	4,620,800	$22.3300
10/4/2001	6,777,900	$23.7500
10/5/2001	4,408,300	$23.3800
10/8/2001	4,648,400	$24.0500
10/9/2001	3,158,400	$24.2800
10/10/2001	4,041,000	$25.9500
10/11/2001	4,331,100	$25.7400
10/12/2001	3,980,400	$25.3400
10/15/2001	2,953,700	$24.5700
10/16/2001	6,101,600	$24.8700
10/17/2001	4,534,000	$24.3600
10/18/2001	5,742,700	$23.0500
10/19/2001	4,447,800	$24.0000
10/22/2001	3,601,500	$24.5500
10/23/2001	4,522,000	$24.8600
10/24/2001	6,229,800	$24.9500
10/25/2001	5,048,300	$27.3500
10/26/2001	7,776,600	$27.9200
10/29/2001	4,240,800	$27.8000
10/30/2001	4,798,200	$26.3500
10/31/2001	7,446,000	$24.6900
11/1/2001	6,659,800	$23.9800
11/2/2001	3,609,400	$23.3600
11/5/2001	5,190,300	$22.5900
11/6/2001	7,184,200	$21.7200
11/7/2001	6,431,300	$22.1500
11/8/2001	5,342,700	$22.7200
11/9/2001	4,779,100	$22.7600
11/12/2001	3,518,600	$22.7900
11/13/2001	3,939,600	$23.0000
11/14/2001	5,360,700	$21.6000
11/15/2001	10,773,000	$20.0500
11/16/2001	7,668,300	$20.2600
11/19/2001	7,189,000	$20.3500
11/20/2001	5,785,600	$21.3000
11/21/2001	3,880,000	$20.9000
11/23/2001	2,258,000	$21.4800
11/26/2001	5,448,000	$21.0900

Exhibit 3

Date	Volume	Close
11/27/2001	7,653,600	$21.8600
11/28/2001	4,822,300	$21.3100
11/29/2001	3,720,000	$21.7000
11/30/2001	3,429,700	$21.4300
12/3/2001	5,183,700	$22.0600
12/4/2001	7,705,900	$21.9000
12/5/2001	9,427,900	$22.0000
12/6/2001	7,512,700	$20.8500
12/7/2001	76,955,504	$12.0000
12/10/2001	62,095,200	$14.0000
12/11/2001	24,911,200	$14.0000
12/12/2001	18,156,000	$13.2700
12/13/2001	10,471,200	$13.3600
12/14/2001	8,576,000	$12.9900
12/17/2001	9,229,600	$12.8300
12/18/2001	7,327,600	$12.8300
12/19/2001	8,454,100	$12.9300
12/20/2001	6,382,500	$12.8200
12/21/2001	6,286,600	$13.0000
12/24/2001	4,069,100	$13.3400
12/26/2001	8,373,200	$12.9500
12/27/2001	7,812,900	$12.9800
12/28/2001	8,771,900	$13.1980
12/31/2001	10,215,900	$13.1000

Exhibit 4

Halliburton Co. (HAL)

Weekly Trading Volume and Share Turnover

Week Ending	Number of Trading Days In Week	Volume of Shares Traded	Weekly Dollar Value of Trades [1]	Volume as % of Shares Outstanding
6/4/99	2	3,481,300	$149,430,013	0.79%
6/11/99	5	9,488,300	$421,667,975	2.15%
6/18/99	5	14,357,400	$669,363,119	3.28%
6/25/99	5	11,118,400	$484,660,268	2.52%
7/2/99	5	9,408,500	$411,339,225	2.14%
7/8/99	4	7,744,000	$360,312,944	1.76%
7/16/99	5	8,010,800	$376,725,856	1.82%
7/23/99	5	6,824,600	$302,795,894	1.55%
7/30/99	5	7,457,000	$337,823,888	1.69%
8/6/99	5	12,985,300	$630,131,806	2.94%
8/13/99	5	13,710,600	$669,897,950	3.11%
8/20/99	5	10,312,600	$496,391,469	2.34%
8/27/99	5	13,618,400	$626,345,164	3.09%
9/3/99	5	7,023,700	$320,674,425	1.59%
9/10/99	4	14,132,000	$704,097,586	3.20%
9/17/99	5	11,614,600	$561,702,119	2.63%
9/24/99	5	17,785,600	$755,142,750	4.03%
10/1/99	5	12,141,600	$493,212,169	2.75%
10/8/99	5	37,519,200	$1,307,714,063	8.50%
10/15/99	5	18,380,600	$664,675,069	4.16%
10/22/99	5	11,678,400	$427,549,125	2.65%
10/29/99	5	14,271,600	$636,149,250	3.23%
11/5/99	5	11,311,800	$420,748,513	2.56%
11/12/99	5	11,302,500	$447,100,013	2.56%
11/19/99	5	11,920,300	$512,242,025	2.70%
11/26/99	4	6,885,300	$282,689,156	1.56%
12/3/99	5	10,793,100	$422,693,788	2.44%
12/10/99	5	16,017,400	$580,700,206	3.63%
12/17/99	5	13,668,000	$495,556,065	3.09%
12/23/99	4	7,397,000	$279,626,413	1.67%
12/31/99	5	5,767,900	$229,106,788	1.31%
1/7/00	5	18,784,500	$849,637,283	3.83%
1/14/00	5	15,910,900	$816,819,800	3.60%
1/21/00	4	18,337,000	$764,284,175	4.16%

Shares Outstanding	
Date	Shares Outstanding
4/30/1999	440,598,000
7/30/1999	441,220,000
10/24/1999	441,754,000
4/30/2000	443,933,045
7/31/2000	445,931,000
10/31/2000	442,404,000
4/30/2001	429,054,000
7/31/2001	429,781,394
10/31/2001	429,361,251
4/24/2002	435,636,154
7/24/2002	436,361,938

Share Turnover during Class Period	
Class Period Total Volume	2,167,029,604
Time Period (yrs)	2.913
Turnover Compared to Shares Outstanding	202.7%

Statistics for Weeks Fully Contained in Class Period			
	Weekly Volume of Shares Traded	Weekly Dollar Value of Trades	Weekly Volume as % of Shares Outstanding
Average	16,796,502	$823,158,937	3.83%
Minimum	5,767,900	$229,106,788	1.31%
Maximum	106,785,704	$1,956,456,460	24.87%
Total	2,183,545,304	$81,011,951,813	

[1] Dollar Value of Trades = Daily Closing Price x Daily Volume
Source: Factset Research Systems, Inc.

[2] Turnover Compared to Shares Outstanding is calculated as Class Period Total Volume divided by Shares Outstanding at end of Class Period (using 10/31/01) divided by Time Period (in years).
Source: Halliburton's SEC Forms 10-K and 10-Qs

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Exhibit 4

Week Ending	Number of Trading Days In Week	Volume of Shares Traded	Weekly Dollar Value of Trades	Volume as % of Shares Outstanding
1/28/00	5	17,029,200	$851,960,531	3.85%
2/4/00	5	13,494,000	$485,553,669	3.05%
2/11/00	5	14,382,700	$513,589,083	3.26%
2/18/00	5	15,407,500	$564,388,519	5.49%
2/25/00	4	10,623,100	$357,852,475	2.40%
3/3/00	5	20,148,200	$804,132,713	4.56%
3/10/00	5	20,562,700	$854,045,713	4.65%
3/17/00	5	13,462,900	$520,295,444	3.05%
3/24/00	5	22,927,900	$888,885,400	5.19%
3/31/00	5	20,462,300	$807,284,556	4.64%
4/7/00	5	17,324,300	$688,418,194	3.92%
4/14/00	5	12,704,700	$500,447,581	2.88%
4/20/00	4	11,588,600	$473,704,694	2.62%
4/28/00	5	17,921,700	$785,516,975	4.06%
5/5/00	5	15,445,900	$714,451,625	3.48%
5/12/00	5	16,515,900	$816,285,188	3.72%
5/19/00	5	18,439,200	$938,121,906	4.15%
5/26/00	5	10,768,800	$517,323,338	2.43%
6/2/00	4	11,095,400	$550,977,209	2.50%
6/9/00	5	13,813,200	$650,029,356	3.13%
6/16/00	5	12,004,700	$576,225,194	2.70%
6/23/00	5	12,703,300	$613,406,006	2.86%
6/30/00	5	12,752,200	$603,856,738	2.87%
7/7/00	4	8,698,100	$388,281,719	1.96%
7/14/00	5	18,422,200	$830,768,994	4.15%
7/21/00	5	15,671,300	$661,740,619	3.53%
7/28/00	5	16,530,300	$724,107,400	3.72%
8/4/00	5	13,115,200	$619,259,269	2.94%
8/11/00	5	16,770,000	$965,992,995	4.21%
8/18/00	5	15,334,100	$813,533,850	3.44%
8/25/00	5	10,894,100	$583,367,800	2.38%
9/1/00	6	10,228,000	$545,583,419	2.30%
9/8/00	4	8,046,100	$431,250,019	1.81%
9/15/00	5	14,571,200	$771,259,988	3.27%
9/22/00	5	14,945,500	$725,587,675	3.36%
9/29/00	5	13,707,500	$656,064,856	3.08%
10/6/00	5	15,187,900	$706,015,844	3.41%
10/13/00	5	15,448,200	$711,637,825	3.47%
10/20/00	5	14,820,600	$641,220,463	3.33%
10/27/00	5	61,422,100	$1,958,456,463	11.84%
11/3/00	5	23,308,000	$874,873,744	5.27%
11/10/00	5	17,075,600	$648,752,331	3.66%

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Exhibit 4

Week Ending	Number of Trading Days in Week	Volume of Shares Traded	Weekly Dollar Value of Trades	Volume as % of Shares Outstanding
11/17/00	5	18,460,600	$884,821,408	4.17%
11/24/00	4	9,956,400	$347,284,981	2.16%
12/1/00	5	17,420,000	$800,868,319	3.94%
12/8/00	5	15,553,200	$546,583,025	3.52%
12/15/00	5	12,687,900	$478,514,856	2.87%
12/22/00	5	18,857,400	$713,959,094	4.26%
12/29/00	4	12,071,100	$447,350,050	2.73%
1/5/01	4	12,988,000	$470,363,175	2.93%
1/12/01	5	18,109,600	$703,841,756	4.09%
1/19/01	4	12,693,100	$492,600,775	2.89%
1/26/01	5	13,685,700	$546,077,056	3.09%
2/2/01	5	10,576,300	$427,209,634	2.39%
2/9/01	5	14,076,400	$597,662,931	3.19%
2/16/01	5	17,642,400	$749,093,851	3.99%
2/23/01	4	11,715,400	$479,483,879	2.65%
3/2/01	5	11,160,700	$455,474,718	2.53%
3/9/01	5	13,866,800	$512,302,716	3.13%
3/16/01	5	14,874,100	$608,491,288	3.38%
3/23/01	5	16,960,800	$668,705,751	3.83%
3/30/01	5	16,331,000	$598,400,514	3.47%
4/6/01	5	21,044,800	$704,293,877	4.78%
4/12/01	4	10,572,200	$376,002,941	2.39%
4/20/01	5	14,733,500	$538,245,271	3.33%
4/27/01	5	17,149,800	$695,108,183	3.88%
5/4/01	5	16,077,100	$666,291,054	3.75%
5/11/01	5	11,431,300	$479,304,309	2.66%
5/18/01	5	19,325,300	$869,123,829	4.50%
5/25/01	5	19,724,000	$750,066,512	3.66%
6/1/01	4	11,363,400	$527,814,093	2.65%
6/8/01	5	13,662,400	$629,717,947	3.18%
6/15/01	5	14,857,600	$652,969,395	3.47%
6/22/01	5	18,396,200	$739,206,406	4.25%
6/29/01	5	23,430,300	$888,074,892	5.46%
7/6/01	4	23,066,600	$769,159,654	5.36%
7/13/01	5	29,108,400	$852,239,573	6.06%
7/20/01	5	25,536,700	$903,164,456	5.95%
7/27/01	5	20,592,100	$713,407,632	4.80%
8/3/01	5	18,668,200	$668,728,667	3.88%
8/10/01	5	18,343,600	$802,827,740	4.27%
8/17/01	5	25,329,200	$787,633,562	5.89%
8/24/01	5	14,730,600	$492,915,548	3.43%
8/31/01	5	18,831,400	$547,034,630	4.38%

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Exhibit 4

Week Ending	Number of Trading Days in Week	Volume of Shares Traded	Weekly Dollar Value of Trades	Volume as % of Shares Outstanding
9/7/01	4	13,551,200	$391,178,620	3.16%
9/21/01	5	32,158,800	$763,502,181	7.48%
9/28/01	5	34,124,600	$710,731,611	7.94%
10/5/01	5	25,853,300	$595,412,269	6.02%
10/12/01	5	20,169,300	$508,569,772	4.69%
10/19/01	5	23,779,800	$573,883,878	5.53%
10/26/01	5	27,178,200	$711,480,932	6.32%
11/2/01	5	26,754,200	$672,188,136	6.23%
11/9/01	5	28,927,600	$645,901,456	6.74%
11/16/01	5	31,260,200	$657,949,222	7.28%
11/23/01	4	19,112,600	$399,123,270	4.45%
11/30/01	5	25,073,600	$536,191,700	5.84%
12/7/01	5	106,785,704	$1,570,631,275	24.87%

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Exhibit 5

Exhibit 5

Halliburton Co. (HAL)
Shares Outstanding

Source: SEC Filings: Forms 10Q and 10K

Shares Outstanding as of	Shares Outstanding
4/30/1999	440,598,000
7/30/1999	441,220,000
10/24/1999	441,754,000
4/30/2000	443,933,045
7/31/2000	445,531,000
10/31/2000	442,404,000
4/30/2001	429,054,000
7/31/2001	429,791,394
10/31/2001	429,361,251

Exhibit 6

Exhibit 6

Halliburton Co. (HAL)

List of Analyst Reports during the Class Period

Source: Thomson Research (from Thomson Financial, www.investext.com) and Reuters Research (from FactSet)
(Thomson Research query: "Halliburton CO" in the Company Field, 6/3/99 - 12/7/01; FactSet query: Ticker: HAL, 6/3/99 - 12/7/01)

	Date	Title	Contributor	Author	Source
1	6/3/1999	HALLIBURTON CO.	STEPHENS INC.	HENZI, R.M.	Thompson Research
2	6/7/1999	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
3	6/12/1999	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
4	6/21/1999	GEOGRAPHIX, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
5	6/22/1999	Oilfield Service Stocks Weak on Inventory Concerns	SunTrust Robinson Humphrey Capital Markets		Thompson Research
6	6/24/1999	BROWN & ROOT, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	Thomas A. Escott CFA	Reuters Research
7	6/27/1999	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT		Thompson Research
8	7/7/1999	DRESSER EQUIPMENT GROUP / DRESSER ENERGY VALVE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	FINANCIAL INFORMATION SERVICES	Thompson Research
9	7/7/1999	DRESSER EQUIPMENT GROUP / DRESSER INSTRUMENT DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
10	7/7/1999	DRESSER-RAND CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
11	7/7/1999	DRESSER-RAND CO. / ENERGY SYSTEMS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
12	7/7/1999	HALLIBURTON ENERGY SERVICES	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
13	7/8/1999	CLIF MOCK OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
14	7/9/1999	DRESSER EQUIPMENT GROUP / WAUKESHA ENGINE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
15	7/9/1999	DRESSER-RAND CO. / ELECTRIC MACHINERY OPERATION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
16	7/9/1999	DRESSER-RAND CO. / TURBO PRODUCTS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
17	7/9/1999	ENERGY SYSTEMS GROUP / SPERRY-SUN DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
18	7/9/1999	TOM WHEATLEY VALVE CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
19	7/9/1999	WELLSTREAM, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
20	7/9/1999	WHEATLEY GASO OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
21	7/15/1999	DRESSER EQUIPMENT GROUP / WAYNE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
22	7/15/1999	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
23	7/19/1999	LANDMARK GRAPHICS CORP.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
24	7/22/1999	HAL: 2Q Operating Results In Line; Adjusting Estimates Slightly	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
25	7/23/1999	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
26	7/23/1999	Halliburton Company - 2Q99 EPS in Line With Our Estimate; 1999 Estimates Lowered	CIBC World Markets		Reuters Research
27	7/23/1999	HAL: Neutral; Halliburton Report Better Than Expected	CIBC WORLD MARKETS CORP.	Allen Brooks, Robert Ford, Laura Herzog	Thompson Research
28	7/23/1999	HALLIBURTON CO.	Deutsche Bank Research	BROOKS, G.A., ET AL	Reuters Research
29	7/23/1999	HAL - June Q $0.19, $0.01 Above Forecast, $0.02 Above Consensus	RBC Capital Markets	Wesley N. Mast	Thompson Research
30	7/26/1999	HALLIBURTON CO.	SUN TRUST ROBINSON HUMPHREY CAPITAL MARKETS	James K. Wicklund	Reuters Research
31	7/28/1999	Halliburton Co.	SunTrust Robinson Humphrey Capital Markets	ESCOTT, T.	Reuters Research
32	7/30/1999	HALLIBURTON CO.	PRUDENTIAL EQUITY GROUP, INC.	Thomas A. Escott CFA	Thompson Research
33	8/5/1999	HAL - Target Price Raised from $50.00 to $55.00	SunTrust Robinson Humphrey Capital Markets	FREEDMAN, J.R.	Reuters Research
34	8/9/1999	Market Strategy Weekly Market, Sector, Stock Comment	SUN TRUST ROBINSON HUMPHREY CAPITAL MARKETS	Thomas A. Escott CFA, Michael Rebeiela	Thompson Research
35	8/9/1999	This Week at RH: What is Working Now	SunTrust Robinson Humphrey Capital Markets	ESCOTT, T.	Reuters Research
36	8/12/1999	HAL - Price Target Raised from $55 to $59	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Thompson Research
37	8/13/1999	Halliburton: Forced Sale/Purchase of Interests in D-R and IDP JVs a Longer-Term Strategic Positive	SunTrust Robinson Humphrey Capital Markets	Robert S. Robbins	Reuters Research
			SunTrust Robinson Humphrey Capital Markets	David A. Lee CFA	Reuters Research
38	8/16/1999	HALLIBURTON CO.	Deutsche Bank Research	Thomas A. Escott CFA	Reuters Research
39	8/19/1999	HALLIBURTON CO.		Wesley N. Mast	Reuters Research
40	8/23/1999	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE		Reuters Research
41	9/3/1999	HAL: INITIATING COVERAGE WITH BUY/BUY RATINGS	SOUTHWEST SECURITIES	GEARY, M.H.	
42	9/13/1999	DRESSER EQUIPMENT GROUP / WAUKESHA ENGINE DIVISION	SMITH BARNEY CITIGROUP (US RESEARCH)	MUTALIBOV, F.	Thompson Research
43	9/13/1999	DRESSER EQUIPMENT GROUP / WAYNE DIVISION	Brown Brothers Harriman & Co.	KIESURTZ, G., ET AL	Thompson Research
44	9/13/1999	ELECTRIC MACHINERY COMPANY	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	Carol Y. Lau	Thompson Research
45	9/13/1999	GEOGRAPHIX	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Reuters Research
46	9/14/1999	HAL: Neutral; DRW Energy Conference Presentation Highlights	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
47	9/15/1999	HAL - Management Expects Larger Cost Savings that Originally Planned	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
48	9/18/1999	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	ABC Capital Markets		Thompson Research
49	9/18/1999	HALLIBURTON CO. (HOLDING CO.)	SunTrust Robinson Humphrey Capital Markets	James K. Wicklund	Thompson Research
50	9/23/1999	HALLIBURTON CO.	MERGENT FIS - HISTORY & DEBT	Thomas A. Escott CFA	Reuters Research
51	9/23/1999	HALLIBURTON CO.	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Reuters Research
			PNC INSTITUTIONAL INVESTMENT SERVICE	FINANCIAL INFORMATION SERVICES	Thompson Research
			UBS (US)	GEARY, M.H.	Thompson Research
				DUNN, B.A.	Thompson Research

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Exhibit 9

	Date	Title	Contributor	Author	Source
52	9/24/1999	HAL - 1999 estis. trimmed to reflect sluggish foreign activity	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
53	10/1/1999	HALLIBURTON CO.	STEPHENS INC.	HENZI, R.M.	Thompson Research
54	10/5/1999	HAL: REDUCING 1999 EPS ESTIMATE; MAINTAINING BUY/BUY RATINGS	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
55	10/5/1999	HAL: Sells Interest in Two Joint Ventures	CIBC World Markets	Allen Brooks, Robert Ford, Laura Herzog	Reuters Research
56	10/5/1999	Halliburton: Sales of D-RADP Businesses a Positive, But Reducing 1999/2000 EPS Estimates	Deutsche Bank Research	Wesley N. Mast	Reuters Research
57	10/6/1999	HALLIBURTON CO.	JEFFERIES & COMPANY, INC.	ALBRIGHT, S.Z.	Thompson Research
58	10/6/1999	HAL: Neutral; Halliburton Selling Joint-Venture Interests; Expects To Miss Previous Third-Quarter Guidance	RBC Capital Markets	James K. Wicklund	Reuters Research
59	10/6/1999	HAL - Energy Equip. JVs to be Sold; Earnings Shortfall Announced	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
60	10/6/1999	Halliburton Company: Stock Collapses On Profit Warning; Underperforming Assets To Be Sold	Jefferies & Company, Inc.	Sam Z. Albright CFA	Reuters Research
61	10/8/1999	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	GEARY, M.H.	Thompson Research
62	10/11/1999	HALLIBURTON CO.	WACHOVIA SECURITIES	SIEGEL, Y.C.	Thompson Research
63	10/18/1999	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
64	10/21/1999	HAL: 3Q99 Results in Line with Pre-announcement	CIBC World Markets	Allen Brooks, Robert Ford, Laura Herzog	Reuters Research
65	10/22/1999	Halliburton, Reported 3Q99 in Line w/Estimate; 1999 Estimate Raised	Deutsche Bank Research	Wesley N. Mast	Reuters Research
66	10/22/1999	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	GEARY, M.H.	Thompson Research
67	10/22/1999	HAL: Neutral; Halliburton Announces Results In Line With Previous Guidance	RBC Capital Markets	James K. Wicklund	Reuters Research
68	10/22/1999	HAL - Sept Q Earnings at $0.13; In-line with Pre-Release	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
69	10/27/1999	HAL: REDUCING ESTIMATES; MAINTAINING BUY	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
70	10/28/1999	HALLIBURTON CO.	BROWN BROTHERS HARRIMAN & CO.	LAU, C.Y.	Thompson Research
71	10/29/1999	HALLIBURTON COMPANY	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
72	11/1/1999	HALLIBURTON CO.	STEPHENS INC.	HENZI, R.M.	Thompson Research
73	11/5/1999	HAL - Estimates Reduced on Sluggish Foreign Activity	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
74	11/10/1999	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G., ET AL	Thompson Research
75	11/18/1999	HALLIBURTON CO.	SUN TRUST ROBINSON HUMPHREY CAPITAL MARKETS	ESCOTT, T.	Thompson Research
76	11/22/1999	HALLIBURTON CO.	PRUDENTIAL EQUITY GROUP, INC.	FREEDMAN, J.R., ET AL	Thompson Research
77	12/3/1999	HAL - New rating system established - HAL rated Buy	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
78	12/9/1999	DRESSER EQUIPMENT GROUP / DRESSER ENERGY VALVE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
79	12/9/1999	DRESSER EQUIPMENT GROUP / DRESSER INSTRUMENT DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
80	12/9/1999	DRESSER EQUIPMENT GROUP / ROOTS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
81	12/9/1999	HALLIBURTON ENERGY SERVICES	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
82	12/9/1999	LANDMARK GRAPHICS CORP.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
83	12/11/1999	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
84	12/27/1999	DRESSER-RAND CO. / ENERGY SYSTEMS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
85	12/27/1999	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
86	12/28/1999	BROWN & ROOT, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
87	12/28/1999	DRESSER EQUIPMENT GROUP / WAUKESHA ENGINE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
88	12/28/1999	DRESSER EQUIPMENT GROUP / WAYNE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
89	12/28/1999	DRESSER-RAND CO. / TURBO PRODUCTS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
90	12/28/1999	ELECTRIC MACHINERY COMPANY	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
91	12/28/1999	ENERGY SYSTEMS GROUP / SPERRY-SUN DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
92	12/28/1999	GEOGRAPHIX	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
93	12/28/1999	HALLIBURTON MEASUREMENTS SYSTEMS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
94	12/28/1999	TOM WHEATLEY VALVE CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
95	12/28/1999	WELLSTREAM, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
96	12/28/1999	WHEATLEY GABO OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
97	1/3/2000	HAL:N-;HALLIBURTON ANNOUNCES CLOSING OF SALE OF JOINT-VENTURE STAKE	RBC Capital Markets	James K. Wicklund	Reuters Research
98	1/4/2000	Oil Sector Guidepost in Early 2000	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
99	1/5/2000	HAL: REDUCING ESTIMATES; MAINTAINING BUY RATINGS	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
100	1/10/2000	Halliburton Company - North America Continues to Lead-Positive BJS EPS Pre-announcement.	A.G. Edwards & Sons	Poe Frati	Reuters Research
101	1/10/2000	Oil Services Industry - BJS Pre-Release & Positive Implications	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
102	1/11/2000	Halliburton: Reducing 2000 and 2001 EPS Estimates	Deutsche Banc Research	Wesley N. Mast	Reuters Research
103	1/24/2000	HALLIBURTON CO.	BEAR, STEARNS & CO., INC.	SHOEMAKER, R.E.	Thompson Research
104	1/24/2000	HAL:N-;HALLIBURTON UNIT WINS $1.6 BILLION CONTRACT	RBC Capital Markets	James K. Wicklund	Reuters Research
105	1/27/2000	Halliburton Company - 4Q99 EPS BENEFITS FROM JV PICKUP - NORTH AMERICA CONTINUES TO LEAD RECOVERY	A.G. Edwards & Sons	Poe Frati	Reuters Research

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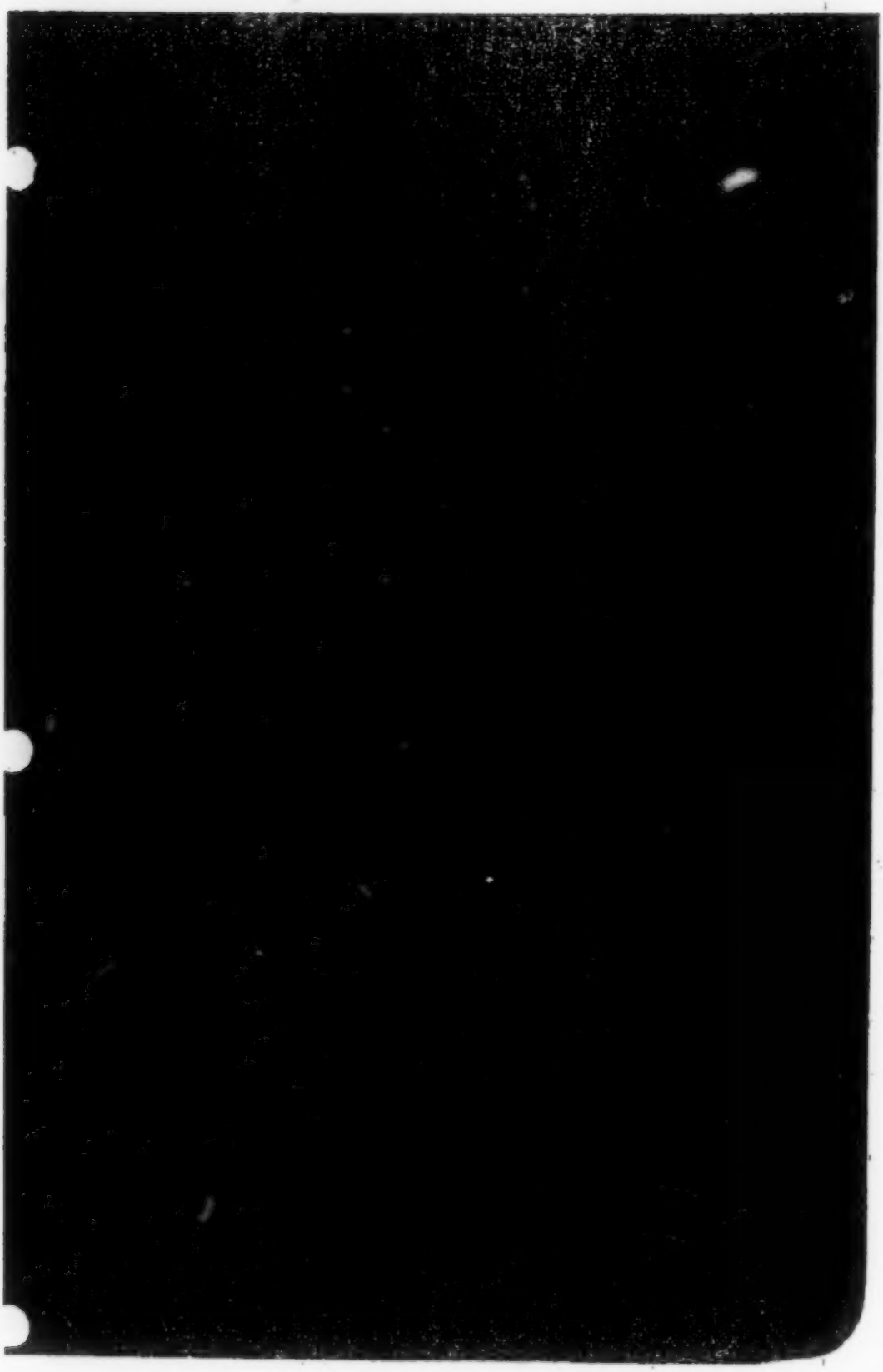

Exhibit 6

	Date	Title	Contributor	Author	Source
106	1/27/2000	HAL: 4Q99 EPS Slightly Ahead, Awaiting the International Recovery	CIBC World Markets	Allen Brooks, Robert Ford, Laura Herzog	Reuters Research
107	1/28/2000	HAL: REITERATING BUY RATINGS; TRIMMING 2000 EPS ESTIMATE	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
108	1/28/2000	HAL: 4Q 1999 EPS MODESTLY ABOVE OUR ESTIMATE--2000/2001ESTIMATES TWEAKED--MARKET PERFORM	Deutsche Bank Research	Wesley N. Mast, Jason Howard, Daniel G. Gotvald	Reuters Research
109	1/28/2000	HAL:N:HAL POSTS STRONGER QUARTER, ENERGY SERVICES OUTLOOK IMPROVING	RBC Capital Markets	James K. Wicklund	Reuters Research
110	1/28/2000	HAL - December Q Beats Estimates	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
111	1/29/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
112	2/1/2000	HALLIBURTON CO.	JOHNSON, RICE & CO.	AGUILAR, J.	Thompson Research
113	2/2/2000	Halliburton Company Report	Johnson Rice & Company	Joe R. Aguilar, Marc Bonifede, Anne Falgoust	Reuters Research
114	2/2/2000	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
115	2/10/2000	HALLIBURTON CO.	ING FINANCIAL MARKETS HISTORY USA	GENGARO, S.D.	Thompson Research
116	2/12/2000	GEOPHYSICAL MICRO-GEOPHYSICAL /LANDMARK GRAPHICS CANADA [BRIEF	THOMSON FINANCIAL SECURITIES DATA - M&A		Thompson Research
117	2/18/2000	HALLIBURTON CO.	STEPHENS INC.	HENZI, R.M.	Thompson Research
118	3/8/2000	HAL:N:-FIRST-QUARTER RESULTS SHOULD BE SIGNIFICANTLY WEAKER THAN CONSENSUS	RBC Capital Markets	James K. Wicklund	Reuters Research
119	3/13/2000	BROWN & ROOT, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
120	3/13/2000	HALLIBURTON ENERGY SERVICES	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
121	3/13/2000	WHEATLEY GASO OMEGA OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
122	3/13/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	GEARY, M.H.	Thompson Research
123	3/15/2000	BAKER HUGHES/HALLIBURTON/SCHLUMBERGER LTD.	UBS (US)	DUNN, B.A.	Thompson Research
124	3/23/2000	HAL - Rating Downgraded to Outperform Amid Q1 Earnings Weakness	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
125	3/24/2000	HALLIBURTON CO.: INITIATING COVERAGE	JEFFERIES & COMPANY, INC.	KELLSTROM, M.	Thompson Research
126	3/24/2000	Halliburton Company: Double Leverage To Higher Spending By The Mega International Oil Companies	Jefferies & Company, Inc.	Kellstrom	Reuters Research
127	3/29/2000	Halliburton Company - BUSINESS MIX TEMPERS NEAR-TERM EARNINGS OUTLOOK - VALUATION REMAINS ATTRACTIVE	A.G. Edwards & Sons	Poe Pratt	Reuters Research
128	3/31/2000	HAL:N:-ESTIMATE REVISION DOWN AS PRICING/ACTIVITY RESULTS MODERATE	RBC Capital Markets	James K. Wicklund	Reuters Research
129	4/3/2000	HAL: FIRST-QUARTER PREVIEW	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
130	4/5/2000	Oil Service Group Industry Update: In Light Of The Market Selloff And Volume In The Broad Markets, We Would Purchase The Following Names On Weakness	Jefferies & Company, Inc.	Kellstrom	Reuters Research
131	4/11/2000	HAL - Conference Presentation Cautious Near-Term; Positive Long-Term	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
132	4/27/2000	Halliburton Company - MAJOR RESTRUCTURING ANNOUNCED/WEAK INTERNATIONAL MARKETS DELAY EARNINGS RECOVERY	A.G. Edwards & Sons	Poe Pratt	Reuters Research
133	4/27/2000	HAL: 1Q00 EPS In Line, Announces Intention to Sell Dresser Equipment Group	CIBC World Markets	Allen Brooks, Robert Ford, Laura Herzog	Reuters Research
134	4/27/2000	HAL: 1Q00 EPS IN LINE WITH OUR ESTIMATE--REDUCING 2000/2001 ESTIMATES--MARKET PERFORM	Deutsche Bank Research	Wesley N. Mast, Jason Howard, Daniel G. Gotvald	Reuters Research
135	4/27/2000	Halliburton Company: HAL's 1st Q In line-HAL announces division sale and major share repurchase	Jefferies & Company, Inc.	Kellstrom	Reuters Research
136	4/27/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	GEARY, M.H.	Thompson Research
137	4/27/2000	HAL:N:-PT 1 OF 2. 1Q00 RESULTS IN LINE; REFOCUSING ALONG CORE BUSINESS LINES	RBC Capital Markets	James K. Wicklund	Reuters Research
138	4/27/2000	HAL:N:-PT 2 OF 2. 1Q00 RESULTS IN LINE; REFOCUSING ALONG CORE BUSINESS LINES	RBC Capital Markets	James K. Wicklund	Reuters Research
139	4/27/2000	HAL - Q1 EPS Solid, Co. Plans Dresser Equipment Sale, Reiterate Outperform	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
140	5/3/2000	HALLIBURTON CO.	PRUDENTIAL EQUITY GROUP, INC.	FREEDMAN, J.R., ET AL	Thompson Research
141	5/3/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KISBURTZ, G., ET AL	Thompson Research
142	5/4/2000	HALLIBURTON CO.	DEUTSCHE BANK SECURITIES INC.	MAAT, W.N., ET AL	Thompson Research
143	5/8/2000	HAL: TRIMMING ESTIMATES, MAINTAIN BUY/BUY RATINGS	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
144	5/8/2000	HALLIBURTON COMPANY	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
145	5/17/2000	HAL - Increasing Price Target Due to Expected Foreign Recovery	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
146	5/24/2000	HAL: QUARTERLY INCOME STATEMENT	Brown Brothers Harriman & Co.	Carol Y. Lau	Reuters Research
147	5/30/2000	HALLIBURTON CO.	JEFFERIES & COMPANY, INC.	KELLSTROM, M.	Thompson Research
148	5/31/2000	Halliburton Company: Raising Price Target To $56	Jefferies & Company, Inc.	Kellstrom	Reuters Research
149	6/8/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
150	6/13/2000	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
151	6/15/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
152	6/16/2000	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research

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	Date	Title	Contributor	Author	Source
153	6/28/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
154	7/5/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
155	7/24/2000	Halliburton Company: Halliburton Chairman/CEO Dick Cheney a Leading Contender for Bush VP	Jefferies & Company, Inc.	Kellstrom	Reuters Research
156	7/26/2000	HALLIBURTON CO.	ARGUS RESEARCH CORPORATION	HOVIS, G.F.	Thompson Research
157	7/26/2000	HAL: 2Q00 EPS in Line; North America Strong; International Improving	CIBC World Markets	Allen Brooks, Laura Herzog	Reuters Research
158	7/26/2000	HALLIBURTON CO.	JEFFERIES & COMPANY, INC.	KELLSTROM, M.	Thompson Research
159	7/26/2000	HALLIBURTON CO.	PAINEWEBBER INC.	STONE, J.H.	Thompson Research
160	7/26/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
161	7/27/2000	Halliburton Company - North American Pickup Drives Earnings Surprise - International Markets Poised for Strong Gains	A.G. Edwards & Sons	Poe Frist	Reuters Research
162	7/27/2000	Upgrading Rating to Buy From Market Perform, 2000/2001 Estimates Raised	Deutsche Bank Research	Jason Howard, Wesley N. Mast	Reuters Research
163	7/27/2000	HALLIBURTON CO.	ING FINANCIAL MARKETS HISTORY USA	GENGARO, S.D.	Thompson Research
164	7/27/2000	Halliburton Company: HAL Announces Favorable Second Quarter EPS Of $0.17	Jefferies & Company, Inc.	Kellstrom	Reuters Research
165	7/27/2000	Halliburton Co. (NYSE - HAL - $43.56) Raising Estimates	RBC Capital Markets	Rogerish McKenzie	Reuters Research
166	7/27/2000	HAL - June Q Above Expectations, Driven by Strength in Energy Services	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
167	7/28/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	JORDAN, J.J.	Thompson Research
168	7/28/2000	HAL:N:HALLIBURTON BEATS ESTIMATES, UPSTREAM BUSINESS STRONG	RBC Capital Markets	James K. Wicklund	Reuters Research
169	7/28/2000	HALLIBURTON CO.	UBS (US)	DUNN, B.A.	Thompson Research
170	8/1/2000	Birinyi Associates, Inc. - Market Breadth - 32 pages	Deutsche Bank Research	Birinyi Associates	Reuters Research
171	8/3/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
172	8/8/2000	HALLIBURTON CO.	PRUDENTIAL EQUITY GROUP, INC.	FREEDMAN, J.R., ET AL	Thompson Research
173	8/17/2000	Halliburton Company - STRONG PRICE PERFORMANCE CREATES LESS FAVORABLE RISK/REWARD - DOWNGRADING TO ACCUMULATE/AGGRESSIVE	A.G. Edwards & Sons	Poe Frist	Reuters Research
174	8/21/2000	DRESSER EQUIPMENT GROUP / DRESSER ENERGY VALVE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
175	8/21/2000	DRESSER EQUIPMENT GROUP / DRESSER INSTRUMENT DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
176	8/21/2000	DRESSER EQUIPMENT GROUP / ROOTS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
177	8/21/2000	DRESSER EQUIPMENT GROUP / WAUKESHA ENGINE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
178	8/21/2000	DRESSER EQUIPMENT GROUP / WAYNE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
179	8/21/2000	ENERGY SYSTEMS GROUP / SPERRY-SUN DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
180	8/21/2000	GEOGRAPHIX	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
181	8/21/2000	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
182	8/21/2000	HALLIBURTON ENERGY SERVICES	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
183	8/21/2000	HALLIBURTON MEASUREMENTS SYSTEMS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
184	8/21/2000	KELLOGG BROWN & ROOT	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
185	8/21/2000	LANDMARK GRAPHICS CORP.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
186	8/21/2000	TOM WHEATLEY VALVE CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
187	8/21/2000	WELLSTREAM, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
188	8/21/2000	WHEATLEY GASO OMEGA OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
189	8/31/2000	Halliburton Company: Double-Leverages to Increase in Spending; Buy	ABN AMRO Global Research	Asit K. Sen, Longsley Zephirin	Reuters Research
190	8/31/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
191	9/1/2000	HALLIBURTON CO.	SUN TRUST ROBINSON HUMPHREY CAPITAL MARKETS	ESCOTT, T.	Thompson Research
192	9/1/2000	Halliburton Company	SunTrust Robinson Humphrey Capital Markets	Thomas A. Escott CFA	Reuters Research
193	9/5/2000	HALLIBURTON CO.	ABN AMRO BANK N.V. U.S.A	SEN, A.K., ET AL	Thompson Research
194	9/6/2000	Halliburton Company - Double-Leveraged to Increase in Spending	ABN AMRO Global Research	Asit K. Sen, Longsley Zephirin	Reuters Research
195	9/8/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	CARPENTER, D.L.	Thompson Research
196	9/18/2000	HAL:N:HIGHLIGHTS FROM THE DRW ENERGY CONFERENCE: HALLIBURTON COMPANY	RBC Capital Markets	James K. Wicklund	Reuters Research
197	9/25/2000	Halliburton Company: Halliburton raised to Buy from Accumulate after 14% pull back in stock	Jefferies & Company, Inc.	Kellstrom	Reuters Research
198	10/6/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
199	10/9/2000	HALLIBURTON CO.	JEFFERIES & COMPANY, INC.	KELLSTROM, M.	Thompson Research
200	10/10/2000	Halliburton Company: Recent Sell Off Over Asbestos Liabilities Appears Overdone; Buy HAL On Weakness	Jefferies & Company, Inc.	Kellstrom	Reuters Research
201	10/10/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	CARPENTER, D.L.	Thompson Research
202	10/24/2000	HAL: Weak E&C Outlook Prompts Restructuring, Reducing Estimates	CIBC World Markets	Allen Brooks, Laura Herzog, Jordan Horoschak, CFA	Reuters Research
203	10/25/2000	Halliburton Company - North America Drives Positive Earnings Surprise - Lowering Estimates to Reflect Weaker E&C Business	A.G. Edwards & Sons	Poe Frist	Reuters Research

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Exhibit 6

	Date	Title	Contributor	Author	Source
204	10/25/2000	Halliburton Company: HAL: Bruised But Not Broken - Sensitivity Analysis	ABN AMRO Global Research	Asit K., Sen	Reuters Research
205	10/25/2000	Halliburton Company: HAL: Lowering 2000 and 2001 Earnings Estimates	ABN AMRO Global Research	Asit K., Sen	Reuters Research
206	10/25/2000	HALLIBURTON CO.	CIBC WORLD MARKETS CORP.	BROOKS, G.A., ET AL	Thompson Research
207	10/25/2000	Halliburton Company	Jefferies & Company, Inc.	Kellstrom	Reuters Research
208	10/25/2000	HALLIBURTON CO.	PAINEWEBBER INC.	STONE, J.H.	Thompson Research
209	10/26/2000	HAL N- HALLIBURTON REPORTS, ANNOUNCES MAJOR RESTRUCTURING INITIATIVE	RBC Capital Markets	James K. Wicklund	Reuters Research
210	10/25/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
211	10/25/2000	HALLIBURTON CO.	SOUTHWEST SECURITIES	MUTALIBOV, F.	Thompson Research
212	10/26/2000	Halliburton Company: Halliburton's Stock May Be Oversold; Weakness Creates Buying Opportunity	Jefferies & Company, Inc.	Kellstrom	Reuters Research
213	10/26/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
214	10/26/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	CARPENTER, D.L.	Thompson Research
215	10/27/2000	HALLIBURTON CO.	ING FINANCIAL MARKETS HISTORY USA	GENGARO, S.D.	Thompson Research
216	10/31/2000	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
217	11/7/2000	Initiating Coverage on Halliburton Company with a Strong Buy Rating	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
218	11/12/2000	Surveying the Prospects: Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
219	11/13/2000	Halliburton Company: HAL Pre-Third Quarter 10-Q; Asbestos Liabilities Remain in Check	Jefferies & Company, Inc.	Kellstrom	Reuters Research
220	11/13/2000	Morning Meeting Notes for (Monday), November 13, 2000	Jefferies & Company, Inc.	Research Department	Reuters Research
221	11/21/2000	Logging Large-Cap with Compelling Valuation	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
222	11/28/2000	Surveying the Prospects: Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
223	11/28/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
224	11/30/2000	Oilfield Services & Equipment Industry: Group Sells Off on Myriad Unspecific Concerns - Risk/Reward is Quite Compelling	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
225	12/4/2000	Deutsche Bank Oilfield Services - Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
226	12/12/2000	HAL N-:CURRENT QUARTER UPDATE	RBC Capital Markets	James K. Wicklund	Reuters Research
227	12/14/2000	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	FINANCIAL INFORMATION SERVICES	Thompson Research
228	12/16/2000	COLLESS O'NEILL /BROWN & ROOT PTY LTD (BRIEF)	THOMSON FINANCIAL SECURITIES DATA - M&A		Thompson Research
229	12/21/2000	Halliburton Company - E&C Business Restructuring Formally Announced - 4Q2000 EPS on Track	A.G. Edwards & Sons	Poe Fratt	Reuters Research
230	12/21/2000	HAL: 4Q Outlook In Line With Prior Guidance; Restructuring Charge Announced	CIBC World Markets	Allen Brooks, Laura Herzog, Jordan Horoschak CFA	Reuters Research
231	12/21/2000	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
232	12/21/2000	HALLIBURTON CO.	UBS (US)	STONE, J.H.	Thompson Research
233	12/22/2000	Halliburton Company: Halliburton Provides Details on E&C Restructuring; No Chan	ABN AMRO Global Research	Asit K. Sen	Reuters Research
234	12/22/2000	HAL: 4Q00 Outlook In Line With Prior Guidance; Restructuring Charge Announced	CIBC World Markets	Allen Brooks, Laura Herzog, Jordan Horoschak CFA	Reuters Research
235	12/22/2000	HAL Provides Details on E&C Restructuring, Earnings Outlook and Stock Repurchase - Estimates and Rating Unchanged, but Potential for Upside Improving	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
236	12/22/2000	Halliburton Company: HAL Pre-Announces 4Q Earnings And Updates E&C Restructuring Efforts	Jefferies & Company, Inc.	Kellstrom	Reuters Research
237	12/26/2000	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	CARPENTER, D.L.	Thompson Research
238	1/2/2001	FourthQuarter Earnings Preview and Performance Review: Oilfield Service Stocks Outperform for Eighth Straight Quarter; Q4 Earnings Likely to Show Strong Growth and Upside	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
239	1/2/2001	HAL Announces Acquisition of Petrobank Data Management	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
240	1/3/2001	Halliburton Company - ACQUISITION OF DATA MANAGEMENT OPERATION IS POSITIVE	A.G. Edwards & Sons	Poe Fratt	Reuters Research
241	1/30/2001	HAL: 4Q00 Positive EPS Surprise, International Spending Up	CIBC World Markets	Allen Brooks, Laura Herzog, Jordan Horoschak CFA	Reuters Research
242	1/31/2001	Halliburton Company - 4Q2000 EPS Ahead of Expectations - Increasing 2001-2 Estimates to Reflect Strong North American Drilling Market	A.G. Edwards & Sons	Poe Fratt	Reuters Research
243	1/31/2001	Halliburton Company - Dresser Equipment Group Sale Announced for $1.55 Billion - Impact Should Be Very Positive	A.G. Edwards & Sons	Poe Fratt	Reuters Research
244	1/31/2001	Halliburton Company: HAL: Maintaining Our 2001 EPS Estimate of $1.10	ABN AMRO Global Research	Asit K. Sen	Reuters Research
245	1/31/2001	HALLIBURTON CO.	CIBC WORLD MARKETS CORP.	BROOKS, G.A., ET AL	Thompson Research
246	1/31/2001	Oil Service Group - Halliburton Company (1/31/01)	Jefferies & Company, Inc.	Mark W. Kellstrom CFA	Reuters Research
247	1/31/2001	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	CARPENTER, D.L.	Thompson Research

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Exhibit 8

	Date	Title	Contributor	Author	Source
248	1/31/2001	HAL:N-HALLIBURTON ANNOUNCES AGREEMENT TO SELL DRESSER EQUIPMENT GROUP	RBC Capital Markets	James K. Wicklund	Reuters Research
249	1/31/2001	HALLIBURTON REPORTS EARNINGS EXCEEDING EXPECTATIONS	RBC Capital Markets	James K. Wicklund	Reuters Research
250	1/31/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIESBURTZ, G.	Thompson Research
251	1/31/2001	HAL - Dec. Q EPS of $0.28 vs. $0.17, Two Cents Above Estimate	SunTrust Robinson Humphrey Capital Markets	Thomas Escott	Reuters Research
252	1/31/2001	HAL - Selling Equipment Group for $1.03 Billion	SunTrust Robinson Humphrey Capital Markets	STONE, J.H.	Reuters Research
253	1/31/2001	HALLIBURTON CO.	UBS (US)	Robert Trace	Thompson Research
254	2/1/2001	HAL: DECREASING 2001 ESTIMATES	Capital One Southcoast, Inc	Arvind S. Sanger CFA	Reuters Research
255	2/1/2001	Q4 Results Beyond Expectations, Maintaining Estimates, an Improved Oilfield, but Uncertain R&C Outlook, Reiterate Strong Buy	Deutsche Bank Research		
256	2/5/2001	Deutsche Bank Oilfield Services - Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
257	2/8/2001	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT		
258	2/13/2001	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
259	2/20/2001	HALLIBURTON CO.	A.G. EDWARDS & SONS, INC.	FINANCIAL INFORMATION SERVICES	Thompson Research
260	2/27/2001	DRESSER EQUIPMENT GROUP / DRESSER ENERGY VALVE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	FRATT, P.	Thompson Research
261	2/27/2001	DRESSER EQUIPMENT GROUP / DRESSER INSTRUMENT DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
262	2/27/2001	ENERGY SYSTEMS GROUP / SPERRY-SUN DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
263	2/27/2001	GEOGRAPHIX	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
264	2/27/2001	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
265	2/27/2001	HALLIBURTON ENERGY SERVICES	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
266	2/27/2001	HALLIBURTON MEASUREMENTS SYSTEMS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
267	2/27/2001	KELLOGG BROWN & ROOT	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
268	2/27/2001	WHEATLEY GASC DMEGA OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
269	2/27/2001	OILFIELD SERVICES AND EQUIPMENT - Continue to Favor Later Cycle Names, Which are Starting to Outperform	Deutsche Bank Research		
270	3/8/2001	HAL - Introducing Preliminary 2002 EPS Estimate		Arvind S. Sanger CFA	Reuters Research
271	3/15/2001	Monthly Oilfield Service Industry Comment	SunTrust Robinson Humphrey Capital Markets		
272	3/16/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	A.G. Edwards & Sons	Thomas Escott	Reuters Research
273	3/23/2001	HAL:N-HALLIBURTON LOSES FIRST ROUND OF ASBESTOS LITIGATION	Deutsche Bank Research	Poe Frost	Reuters Research
274	3/30/2001	HALLIBURTON CO	RBC Capital Markets	Arvind S. Sanger CFA	Reuters Research
275	4/11/2001	HAL:N-HALLIBURTON CONCLUDES SALE OF DRESSER EQUIPMENT GROUP	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	James K. Wicklund	Reuters Research
276	4/18/2001	HALLIBURTON CO. (HOLDING CO.)	RBC Capital Markets		Thompson Research
277	4/25/2001	HAL: 1Q01 EPS in Line; Broadening Recovery Under Way	MERGENT, INC. - COMPANY REPORT	James K. Wicklund	Reuters Research
278	4/26/2001	HALLIBURTON CO.	CIBC World Markets	FINANCIAL INFORMATION SERVICES	Thompson Research
279	4/26/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	Allen Brooks, Jordan Hymowitz CFA	Reuters Research
280	4/26/2001	Q1 Results Fall Short, Lowering Street High 2001 Eps, but Maintaining 2002 Eps, Target Price and Strong Buy Rating Because Of Rapidly Improving Fundamentals	CIBC WORLD MARKETS CORP.	KIESBURTZ, G.	Thompson Research
281	4/26/2001	HALLIBURTON CO	Deutsche Bank Research	BROOKS, G.A.	Thompson Research
282	4/26/2001	HAL:N-HALLIBURTON REPORTS STRONG FIRST QUARTER		Arvind S. Sanger CFA, Michael W. Urban	Reuters Research
283	4/26/2001	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE		
284	4/27/2001	Halliburton - 1Q2001 EPS BELOW EXPECTATIONS, BUT OUTLOOK IMPROVING - NORTH AMERICAN DRILLING MARKET REMAINS STRONG AND BROADER RECOVERY EXPECTED	RBC Capital Markets	CARPENTER, D.L.	Thompson Research
285	4/27/2001	HALLIBURTON CO.	UBS (US)	James K. Wicklund	Reuters Research
286	4/27/2001	HALLIBURTON ENERGY SERVICES	A.G. Edwards & Sons	STONE, J.H.	Thompson Research
287	4/27/2001	WELLSTREAM, INC.		Poe Frost	Reuters Research
288	4/30/2001	DRESSER EQUIPMENT GROUP /INVESTOR GROUP	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		
289	4/30/2001	Halliburton Company: Upgrading Rating to Add from Hold	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
290	4/30/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
291	5/3/2001	HALLIBURTON CO. (HOLDING CO.)	THOMSON FINANCIAL SECURITIES DATA - M&A		Thompson Research
292	5/8/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	ABN AMRO Global Research		Thompson Research
293	5/11/2001	HAL: Estimates Raised; Rating Boosted to OUTPERFORM	Deutsche Bank Research	Stephen Gengaro, Matthew Cohlan, Megan Bissell	Reuters Research
294	5/15/2001	HALLIBURTON CO.	MERGENT, INC. - COMPANY REPORT	Arvind S. Sanger CFA	Reuters Research
295	5/16/2001	Severe Catalysts Should Continue To Drive Stock Higher, But Lowering Rating From Strong Buy to Buy to Reflect Recent Appreciation - Web Version	SunTrust Robinson Humphrey Capital Markets	FINANCIAL INFORMATION SERVICES	Thompson Research
296	5/25/2001	HALLIBURTON CO.	INSTITUTIONAL SHAREHOLDER SERVICES	Arvind S. Sanger CFA, Michael W. Urban	Reuters Research
297	5/25/2001	Halliburton Company	Deutsche Bank Research	Thomas Escott	Thompson Research
				ANON	Reuters Research
				Arvind S. Sanger CFA	Thompson Research
			SUN TRUST ROBINSON HUMPHREY CAPITAL MARKETS		Reuters Research
			SunTrust Robinson Humphrey Capital Markets	ESCOTT, T.	
				Thomas Escott	Thompson Research
					Reuters Research

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	Date	Title	Contributor	Author	Source
292	5/29/2001	DRESSER EQUIPMENT GROUP / DRESSER ENERGY VALVE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
293	5/29/2001	DRESSER EQUIPMENT GROUP / DRESSER INSTRUMENT DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
300	5/29/2001	DRESSER EQUIPMENT GROUP / WAUKESHA ENGINE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
301	5/29/2001	DRESSER EQUIPMENT GROUP / WAYNE DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
302	5/29/2001	DRESSER EQUIPMENT GROUP, INC. / ROOTS DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
303	5/29/2001	ENERGY SYSTEMS GROUP / SPERRY-SUN DIVISION	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
304	5/29/2001	GEOGRAPHIX	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
305	5/29/2001	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
306	5/29/2001	HALLIBURTON MEASUREMENTS SYSTEMS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
307	5/29/2001	KELLOGG BROWN & ROOT	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
308	5/29/2001	TOM WHEATLEY VALVE CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
309	5/29/2001	WELLSTREAM, INC.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
310	5/29/2001	WHEATLEY GASO OMEGA OPERATIONS	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
311	5/29/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
312	5/31/2001	HALLIBURTON CO. (HOLDING CO.)	Deutsche Bank Research		Thompson Research
313	6/5/2001	HALLIBURTON CO. (HOLDING CO.) - HISTORY & DEBT	MERGENT, INC. - COMPANY REPORT	Arvind S. Sanger CFA	Reuters Research
314	6/7/2001	HALLIBURTON CO	MERGENT FIS - HISTORY & DEBT	FINANCIAL INFORMATION SERVICES	Thompson Research
315	6/28/2001	Halliburton Increases Asbestos Reserve, Reiterate Buy, but Renewed Concerns Could Impact Valuation	PRUDENTIAL EQUITY GROUP, INC.	FINANCIAL INFORMATION SERVICES	Thompson Research
316	6/28/2001	HALLIBURTON CO.	Deutsche Bank Research	FREEDMAN, J.R.	Thompson Research
317	7/17/2001	Lowering Estimates But Highlighting Some North America Names For Attractive Valuations	SMITH BARNEY CITIGROUP (US RESEARCH)	Arvind S. Sanger CFA	Reuters Research
318	7/19/2001	HALLIBURTON CO. (HOLDING CO.)	Deutsche Bank Research	KIESURTZ, G.	Thompson Research
319	7/24/2001	HAL: Reducing Estimates	MERGENT, INC. - COMPANY REPORT	Arvind S. Sanger CFA	Reuters Research
320	7/25/2001	HAL: Higher 3Q01 EPS Guidance Makes Burton Management A Maverick	SunTrust Robinson Humphrey Capital Markets	FINANCIAL INFORMATION SERVICES	Thompson Research
321	7/25/2001	HALLIBURTON CO.	CIBC World Markets	Thomas Escott	Reuters Research
322	7/25/2001	Halliburton Company - Base Profile around $40	DEUTSCHE BANK SECURITIES INC.	Allen Brooks, Jordan Horsechek CFA	Reuters Research
323	7/25/2001	HAL: Outlook Accelerating Near Term, Raising to BUY Rating	First Global	SANGER, A.S.	Thompson Research
324	7/26/2001	Halliburton Company: Intermediate Strength Drives Upside Surprise	SunTrust Robinson Humphrey Capital Markets	Girish Patil	Reuters Research
325	7/26/2001	HALLIBURTON CO.	ABN AMRO Global Research	Thomas Escott	Reuters Research
326	7/26/2001	Q2 Earnings Higher Than Expected, Raising Ests. but Maintaining 2002 Ests. Target Price and Strong Buy Rating Because of Rapidly Improving Fundamentals	CIBC WORLD MARKETS CORP	Stephen Gengaro, Matthew Conlan, Katherine M. Spangler, Megan Gravel	Reuters Research
327	7/26/2001	HAL - Impressive Q2 diluted results, E&C outlook strengthening	Deutsche Bank Research	BROOKS, G.A.	Thompson Research
328	7/26/2001	HALLIBURTON CO.	Johnson Rice & Company	Arvind S. Sanger CFA	Reuters Research
329	7/26/2001	HAL N- HALLIBURTON 2Q01 EPS EXCEEDS EXPECTATIONS	PNC INSTITUTIONAL INVESTMENT SERVICE	Joe R. Aguilar, Daniel Burke, Anne Fagoaut	Reuters Research
330	7/26/2001	HALLIBURTON CO.	RBC Capital Markets	CARPENTER, D.L.	Thompson Research
331	7/26/2001	HALLIBURTON CO.	SANFORD C. BERNSTEIN & CO., INC.	Kevin G. Pollard	Reuters Research
332	7/26/2001	HAL-NYSE/HAL SHARES UPGRADED FROM ACCUMULATE TO BUY.	SMITH BARNEY CITIGROUP (US RESEARCH)	DOWD, J.	Thompson Research
333	7/26/2001	HALLIBURTON CO.	Southwest Securities	KIESURTZ, G.	Thompson Research
334	7/27/2001	HAL: 2Q RESULTS, INCREASING 2001 ESTIMATES	UBS (US)	Fred Mutsabov	Reuters Research
335	7/28/2001	ILEX TECHNOLOGIES LTD /LANDMARK GRAPHICS CORP (BRief)	Capital One Southcoast, Inc	STONE, J.H.	Thompson Research
336	7/30/2001	Trading Ideas USA 30.07.2001	THOMSON FINANCIAL SECURITIES DATA - M&A	Robert B. Trace	Reuters Research
337	8/6/2001	OILFIELD SERVICES WEEKLY	Hamblenser Fischer AG		Thompson Research
338	8/10/2001	Halliburton - Not Deadly for Asbestos Claims Rises - More Complex Situation Appears Manageable But Uncertainty Increases	Southwest Securities	Research Team	Reuters Research
339	8/10/2001	HALLIBURTON CO. (HOLDING CO.)	A.G. Edwards & Sons	Fred Mutsabov	Reuters Research
340	8/14/2001	HALLIBURTON CO.		Pse Frell	Reuters Research
341	8/23/2001	HALLIBURTON CO.	MERGENT, INC. - COMPANY REPORT		
342	8/31/2001	GEOGRAPHIX	SMITH BARNEY CITIGROUP (US RESEARCH)	FINANCIAL INFORMATION SERVICES	Thompson Research
343	8/31/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIESURTZ, G.	Thompson Research
344	8/31/2001	KELLOGG BROWN & ROOT	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	KIESURTZ, G.	Thompson Research
345	9/1/2001	COMMERCIAL RESIN CE MEXICO SA /BREDERO-SHAW (BRief)	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
346	9/3/2001	Halliburton Company - Halliburton, Holding Coverage With An Accelerate Rating, Target $35	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.		Thompson Research
347	9/18/2001	Energy Group - Industry Update (09/17/01)	THOMSON FINANCIAL SECURITIES DATA - M&A		Thompson Research
348	10/1/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	Jefferies & Company, Inc.		Thompson Research
349	10/2/2001	HALLIBURTON CO.	Jefferies & Company, Inc.	Asit Sen CFA	Reuters Research
			Deutsche Bank Research	Asit Sen CFA	Reuters Research
			CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	Arvind S. Sanger CFA	Reuters Research
					Thompson Research

Exhibit 8

	Date	Title	Contributor	Author	Source
350	10/2/2001	Trough Valuation Analysis: Bad News Largely Discounted in the Stocks, But Potential for a Recovery Isn't Significant Upside Potential in Next 6-12 Months	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
351	10/4/2001	Halliburton - Weak Natural Gas Market Tempers Positive Impact of International Recovery	A.G. Edwards & Sons	Poe Pratt	Reuters Research
352	10/9/2001	HAL Provides Better Definition on Asbestos Liability Issue at DB&B Fall Energy Conference	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
353	10/8/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
354	10/22/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
355	10/22/2001	HALLIBURTON CO.	UBS (US)	STONE, J.H.	Thompson Research
356	10/23/2001	HAL: Management Delivers, But The Industry Wonâ€™t Cooperate	CIBC World Markets	Allen Brooks, Jordan Hortschek CFA	Reuters Research
357	10/23/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
358	10/23/2001	HAL: Sept. Q In Line; Reducing Outlook	SunTrust Robinson Humphrey Capital Markets	Thomas Essex	Reuters Research
359	10/24/2001	Halliburton - 3Q2001 EPS IN LINE AND ASBESTOS CLAIMS SLOW; WEAKER MACRO OUTLOOK, BUT VALUATION ATTRACTIVE	A.G. Edwards & Sons	Poe Pratt	Reuters Research
360	10/24/2001	Halliburton Company: In-Line Results, Outlook Remains Cloudy	ABN AMRO Global Research	Stephen Gengaro, Matthew Conlan, Katherine M. Spinola, Megan Busse	Reuters Research
361	10/24/2001	HALLIBURTON CO.	BEAR, STEARNS & CO., INC.	SHOEMAKER, R.E.	Thompson Research
362	10/24/2001	HALLIBURTON CO.	CIBC WORLD MARKETS CORP.	BROOKS, G.A.	Thompson Research
363	10/24/2001	Strong Q3 Bend , Growing E&C Backlog, Better Asbestos News Offsets Weaker US Outlook	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
364	10/24/2001	Halliburton Company: HAL: Lowering 2002 EPS Estimate To $1.40 From $1.73; Trimming Target	Jefferies & Company, Inc.	Asit Sen CFA	Reuters Research
365	10/24/2001	HAL:N-HALLIBURTON REPORTS IN LINE, REDUCING EXPECTATIONS GOING FORWARD	RBC Capital Markets	Kevin G. Pollard	Reuters Research
366	10/24/2001	HALLIBURTON CO.	SANFORD C. BERNSTEIN & CO., INC.	DOWD, J.	Thompson Research
367	10/24/2001	HAL-NYSE/RE/TERATING BUY RATING DESPITE DOWNWARD EARNINGS REVISIONS	Southwest Securities	Fred Mueller	Reuters Research
368	10/24/2001	HALLIBURTON CO.	UBS (US)	STONE, J.H.	Thompson Research
369	10/25/2001	HALLIBURTON CO.	UBS (US)	STONE, J.H.	Thompson Research
370	10/26/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
371	10/29/2001	HAL - Q3:01 Update	Johnson Rice & Company	Jos R. Aguiar, Daniel Burke	Reuters Research
372	10/30/2001	HALLIBURTON - MISSISSIPPI JURY AWARDS $190MM TO ASBESTOS PLAINTIFFS - VIGOROUS APPEAL EXPECTED	A.G. Edwards & Sons	Poe Pratt	Reuters Research
373	10/31/2001	Halliburton - Asbestos Case in Small Mississippi Town Yields $190 MBon Jury Award Against HAL, DWM and Others - Vigorous Appeal Expected	A.G. Edwards & Sons	Poe Pratt	Reuters Research
374	10/31/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	KIEBURTZ, G.	Thompson Research
375	11/5/2001	Surveying the Prospects: Oilfield Services Weekly Ruminations	Deutsche Bank Research	Arvind S. Sanger CFA	Reuters Research
376	11/6/2001	HALLIBURTON CO.	CORPORATE TECHNOLOGY INFORMATION SERVICES, INC.	Robert S. Trace	Thompson Research
377	11/7/2001	HAL: 3Q Results, Revising Estimates, Price Target	Capital One Southcoast, Inc.	KIEBURTZ, G.	Reuters Research
378	11/9/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	Arvind S. Sanger CFA	Thompson Research
379	11/12/2001	Surveying the Prospects: Oilfield Services Weekly Ruminations	Deutsche Bank Research	Asit Sen CFA	Reuters Research
380	11/17/2001	GVA CONSULTANTS AB(CELSIUS AB) /KELLOGG BROWN & ROOT (BRIEF)	THOMSON FINANCIAL SECURITIES DATA - M&A	Asit Sen CFA	Reuters Research
381	11/19/2001	Surveying the Prospects - Oilfield Services Weekly Ruminations	Deutsche Bank Research	Asit Sen CFA	Reuters Research
382	11/21/2001	Halliburton Company: HAL: Lowering 4Q01 and 2002 EPS Estimates	Jefferies & Company, Inc.	CARPENTER, D.L.	Thompson Research
383	11/28/2001	Oil Services - API Inventory Analysis & Weekly Perspective	Jefferies & Company, Inc.	STONE, J.H.	Thompson Research
384	12/3/2001	HALLIBURTON COMPANY PROFILE	DATAMONITOR	Poe Pratt	Reuters Research
385	12/4/2001	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE		Thompson Research
386	12/4/2001	HALLIBURTON CO.	UBS (US)	Arvind S. Sanger CFA	Reuters Research
387	12/6/2001	Halliburton - Asbestos News Continues to Develop - North America Drilling Market Weak and 2001-2 EPS Estimates Lowered	A.G. Edwards & Sons	Thomas Essex	Reuters Research
388	12/6/2001	Better Asbestos Disclosure Does Not Help Stock Price	Deutsche Bank Research	FINANCIAL INFORMATION SERVICES	Thompson Research
389	12/5/2001	HAL: Litigation News Not Instrumental	SunTrust Robinson Humphrey Capital Markets	Product Marketing Dept.	Reuters Research
390	12/6/2001	HALLIBURTON CO. (HOLDING CO.)	MERGENT, INC. - COMPANY REPORT	Robert S. Trace	Reuters Research
391	12/7/2001	Spoke Intraday Note	ABN AMRO Global Research	Asit Sen CFA	Reuters Research
392	12/7/2001	HAL: Downgrading HAL's Rating From BUY/STRONG BUY to HOLD/BUY	Capital One Southcoast, Inc.	CARPENTER, D.L.	Thompson Research
393	12/7/2001	Halliburton Company: Halliburton: Update On Asbestos Litigation; Stay Cautious	Jefferies & Company, Inc.	KIEBURTZ, G.	Thompson Research
394	12/7/2001	HALLIBURTON CO.	PNC INSTITUTIONAL INVESTMENT SERVICE	Thomas Essex	Reuters Research
395	12/7/2001	HALLIBURTON CO.	SMITH BARNEY CITIGROUP (US RESEARCH)	STONE, J.H.	Thompson Research
396	12/7/2001	HAL: Asbestos Reaction Exaggerated	SunTrust Robinson Humphrey Capital Markets		
397	12/7/2001	HALLIBURTON CO.	UBS (US)		

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Exhibit 7

Exhibit 7

Halliburton Co. (HAL)

Reported Short Interest and Shares Outstanding

Source: FactSet Research Systems, Inc., Halliburton's SEC Form 10-Ks and 10-Qs

Settlement Date	Reported Short Interest	Change from Prior Month	Reported Shares Outstanding at Most Recent Date Prior to Settlement Date	Short Interest/Shares Outstanding
6/15/1999	8,362,222		440,598,000	1.9%
7/15/1999	8,286,660	(75,562)	440,598,000	1.9%
8/15/1999	9,054,461	767,801	441,220,000	2.1%
9/15/1999	8,273,062	(781,399)	441,220,000	1.9%
10/15/1999	6,858,906	(1,414,156)	441,220,000	1.6%
11/15/1999	7,721,216	862,310	441,754,000	1.7%
12/15/1999	6,655,954	(1,065,262)	441,754,000	1.5%
1/15/2000	7,350,574	694,620	441,754,000	1.7%
2/15/2000	6,538,454	(812,120)	441,754,000	1.5%
3/15/2000	8,252,467	1,714,013	441,754,000	1.9%
4/15/2000	8,360,042	107,575	443,724,145	1.9%
5/15/2000	11,844,556	3,484,514	443,933,045	2.7%
6/15/2000	11,723,042	(121,514)	443,933,045	2.6%
7/15/2000	11,188,755	(534,287)	443,933,045	2.5%
8/15/2000	15,034,147	3,845,392	445,531,000	3.4%
9/15/2000	14,500,624	(533,523)	445,531,000	3.3%
10/15/2000	12,906,037	(1,594,587)	445,531,000	2.9%
11/15/2000	11,274,829	(1,631,208)	442,404,000	2.5%
12/15/2000	11,394,175	119,346	442,404,000	2.6%
1/15/2001	8,482,125	(2,912,050)	442,404,000	1.9%
2/15/2001	11,560,790	3,078,665	442,404,000	2.6%
3/15/2001	12,609,752	1,048,962	442,404,000	2.9%
4/15/2001	9,990,174	(2,619,578)	429,030,141	2.3%
5/15/2001	13,524,820	3,534,646	429,054,000	3.2%
6/15/2001	16,408,396	2,883,576	429,054,000	3.8%
7/15/2001	9,857,637	(6,550,759)	429,054,000	2.3%
8/15/2001	11,350,913	1,493,276	429,791,394	2.6%
9/15/2001	7,778,290	(3,574,623)	429,791,394	1.8%
10/15/2001	9,496,075	1,719,785	429,791,394	2.2%
11/15/2001	10,884,217	1,388,142	429,361,251	2.5%
12/15/2001	9,825,255	(1,058,962)	429,361,251	2.3%
Average	10,236,988		438,775,842	2.3%

Exhibit 8

Exhibit 8

Halliburton Co. (HAL)

Market Capitalization

Class Period: 6/3/1999 - 12/7/2001

Shares Outstanding as of	Shares Outstanding [1]	Stock Price [2]	Market Capitalization
4/30/1999	440,598,000	$42.63	$18,780,489,750
7/30/1999	441,220,000	$46.13	$20,351,272,500
10/24/1999	441,754,000	$38.63	$17,062,748,250
2/29/2000	443,582,904	$38.19	$16,939,322,147
4/30/2000	443,933,045	$44.19	$19,616,291,426
7/31/2000	445,531,000	$46.13	$20,550,117,375
10/31/2000	442,404,000	$37.06	$16,396,598,250
2/28/2001	428,488,110	$39.82	$17,061,600,140
4/30/2001	429,054,000	$43.21	$18,539,423,340
7/31/2001	429,791,394	$35.01	$15,046,996,704
10/31/2001	429,361,251	$24.69	$10,600,929,287

Statistics for Days in Class Period	Min	Max	Average
1999	$14,946,327,500	$22,695,253,750	$18,698,129,329
2000	$14,785,233,500	$24,364,976,563	$19,154,726,960
2001	$5,152,335,012	$21,109,458,800	$14,867,428,277

[1] Source: HAL SEC Filings: Forms 10-Q and 10-K

[2] Source: FactSet Research Systems, Inc.

Exhibit 9

Exhibit 9

Halliburton Co. (HAL)

Bid/Ask Spreads for Halliburton Co. Common Stock Compared to Halliburton Peers

Timeframe: Class Period 6/3/99 - 12/7/01

Source: NYSE TAQ Database. Excludes quotes outside of normal trading hours (9:30a.m. - 4:00p.m. EST). The companies included in the peer group for this analysis were obtained from Halliburton's 10K's, annual proxy statements and analysts' reports.

Bid/Ask Spreads Using All Quotes From Listing Exchange						
			Bid/Ask Spread ($)		Bid/Ask Spread as Percent of Bid/Ask Midprice	
Company	Ticker	Listing Exchange	Mean	Median	Mean	Median
Halliburton Co	HAL	NYSE	$0.0837	$0.0625	0.22%	0.17%
Baker Hughs Incorporated	BHI	NYSE	$0.0819	$0.0625	0.25%	0.19%
BJ Services Company	BJS	NYSE	$0.1097	$0.0900	0.23%	0.19%
Cameron International Corporation	CAM	NYSE	$0.1528	$0.1250	0.28%	0.23%
SEACOR Holdings Inc.	CKH	NYSE	$0.2289	$0.1875	0.51%	0.42%
Helix Energy Solutions Group, Inc.	HELX	NASD	$0.2027	$0.1250	0.60%	0.48%
Key Energy Services, Inc.	KEG	NYSE	$0.0892	$0.0625	0.81%	0.65%
Noble Corporation	NE	NYSE	$0.0807	$0.0625	0.23%	0.19%
National Oilwell	NOI	NYSE	$0.0903	$0.0625	0.37%	0.26%
Rowan Cos. Inc.	RDC	NYSE	$0.0817	$0.0625	0.35%	0.26%
Transocean Inc.	RIG	NYSE	$0.0954	$0.0625	0.23%	0.19%
Smith International Inc.	SII	NYSE	$0.1524	$0.1250	0.25%	0.20%
Schlumberger Ltd.	SLB	NYSE	$0.0919	$0.0800	0.14%	0.14%
Tidewater Inc.	TDW	NYSE	$0.1093	$0.1000	0.31%	0.26%
Varco International, Inc.	VRC	NYSE	$0.0819	$0.0625	0.53%	0.43%
Weatherford International Ltd.	WFT	NYSE	$0.1414	$0.1250	0.34%	0.31%
Average of Halliburton's Competitors			$0.1180	$0.0930	0.36%	0.30%

Exhibit 9

Bid/Ask Spreads Using All Quotes From All TAQ Database Exchanges[1]						
			Bid/Ask Spread ($)		Bid/Ask Spread as Percent of Bid/Ask Midprice	
Company	Ticker	Listing Exchange	Mean	Median	Mean	Median
Halliburton Co	HAL	NYSE	$0.6402	$0.2500	1.62%	0.72%
Baker Hughs Incorporated	BHI	NYSE	$0.8273	$0.2600	1.67%	0.78%
BJ Services Company	BJS	NYSE	$0.7902	$0.3300	1.50%	0.86%
Cameron International Corporation	CAM	NYSE	$1.1722	$0.3750	1.90%	0.71%
SEACOR Holdings Inc.	CKH	NYSE	$0.6842	$0.3750	1.32%	0.83%
Helix Energy Solutions Group, Inc.	HELX	NASD	$0.2027	$0.1250	0.60%	0.48%
Key Energy Services, Inc.	KEG	NYSE	$0.3877	$0.2200	4.06%	2.17%
Noble Corporation	NE	NYSE	$0.6814	$0.2800	1.70%	0.78%
National Oilwell	NOI	NYSE	$0.5686	$0.2800	2.02%	1.15%
Rowan Cos. Inc.	RDC	NYSE	$0.5710	$0.2500	2.26%	1.03%
Transocean Inc.	RIG	NYSE	$0.9881	$0.2700	2.23%	0.72%
Smith International Inc.	SII	NYSE	$1.2084	$0.3500	1.69%	0.56%
Schlumberger Ltd.	SLB	NYSE	$1.2501	$0.3000	2.01%	0.48%
Tidewater Inc.	TDW	NYSE	$0.8107	$0.2900	1.92%	0.75%
Varco International, Inc.	VRC	NYSE	$0.5108	$0.2200	2.73%	1.25%
Weatherford International Ltd.	WFT	NYSE	$0.4465	$0.3750	1.01%	0.82%
Average of Halliburton's Competitors			$0.7197	$0.2867	1.91%	0.88%

[1] NYSE TAQ database exchanges include: AMEX, Boston, Cincinnati, Chicago, NYSE, Pacific, NASD, Philadelphia, Instinet, and CBOE.

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Exhibit 10

Exhibit 10

Halliburton Co.

Public Float

(Reported Shares Outstanding minus Total Insider Holdings)

Reporting Date	Reported Shares Outstanding[1]	Total Insider Holdings[2]	Float (Shares)	Float (%)
3/22/1999	440,337,421	3,640,797	436,696,624	99.17%
3/20/2000	443,724,145	3,540,165	440,183,980	99.20%
3/19/2001	429,030,141	2,039,801	426,990,340	99.52%

[1] Source: Halliburton's 10Ks, 10Qs, and Proxy Statements filed with SEC

[2] Source: Halliburton's Proxy Statements filed with the SEC
Transactional data from FactSet Research Systems, Inc.

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Exhibit 11

Exhibit 11

Halliburton Co. (HAL)

Institutional Shareholdings of Halliburton Common Stock
Source: FactSet Research Systems, Halliburton's SEC Filings

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Total Institutional Holdings	298,312,994	293,388,575	286,585,977	288,112,370	311,641,575	313,392,764	297,681,543	308,932,314	312,238,430	304,734,118	273,563,708
Reported Shares Outstanding	445,888,500	441,220,500	441,754,000	443,724,145	443,933,048	445,931,000	442,404,000	429,050,141?	429,054,000	429,791,394	429,381,251
% Institutional Holdings	66.9%	66.5%	64.9%	64.9%	70.2%	70.3%	67.3%	72.0%	72.8%	70.9%	63.7%
Number of Institutions	418	425	446	480	488	497	498	510	539	550	485
Total Number of Institutions with Holdings during the Close Period											813
Totals											
1st Source Corp. (Investment Advisors, Inc.	9,700	10,800	10,900	9,950	9,850	10,150	10,150	10,150	10,150	10,150	69,950
3 Banken-General Investment GmbH	-	-	-	-	-	-	-	-	-	600	600
A.G. Edwards & Sons, Inc.	13,112	13,286	14,610	15,266	11,038	13,612	14,147	15,985	16,746	17,955	22,584
Aberdeen Asset Managers Ltd.	7,000	-	-	-	-	-	-	8,000	-	-	-
ABN AMRO Asset Management (Amsterdam)	-	-	-	-	-	-	8,931	8,931	11,000	11,000	21,760
ABN AMRO Bank NV (Belgium)	-	-	-	-	-	-	-	-	1,200	1,200	-
Acadia Trust, N.A.	75,068	78,019	88,162	81,787	43,948	-	-	-	-	-	-
Adage Capital Advisors LLC	-	-	-	-	-	-	-	-	-	-	222,889
Advanced Investment Partners LLC	-	-	-	-	-	-	-	-	-	282,500	-
Advantus Capital Management, Inc.	68,700	68,600	62,926	17,948	98,084	146,942	55,227	54,942	47,989	48,933	49,928
Affinity Wealth Management, Inc.	32,517	31,857	31,007	26,857	20,629	19,867	-	-	-	-	-
AG Asset Management LLC	630,400	1,023,160	948,668	611,160	27,025	34,500	8,450	-	-	-	-
AGF Funds, Inc	-	-	-	-	-	-	-	-	32,900	2,930	2,930
AGF International Advisors Co. Ltd.	-	-	-	-	-	-	-	-	12,436	12,436	12,788
AIB Investment Managers Ltd.	480,317	482,889	534,735	572,585	584,154	592,379	611,349	598,758	406,355	286,951	42,284
AIG Global Investment Group	18,500	15,300	14,200	14,200	13,200	13,100	13,100	12,400	12,000	7,100	242,893
AIG Private Bank Ltd.	-	-	-	-	4,000	4,300	-	-	-	-	-
Alerus Financial, N.A.	-	-	-	19,958	24,754	26,278	25,731	26,388	29,388	26,388	52,016
Alleti Gestielle SGR SpA	-	-	-	-	-	-	100,656	100,656	100,656	100,656	30,213
Alex Brown Investment Management LLC	21,900	19,100	14,900	12,500	11,900	11,500	11,500	11,500	9,300	409,300	-
Allegiant Asset Management Co	321,482	282,482	259,028	489,261	948,973	251,011	273,475	192,247	170,623	153,763	117,894
AllianceBernstein LP	2,932,794	2,288,860	954,638	2,330,265	2,196,280	1,015,756	1,002,728	930,871	901,459	578,599	997,897
Allianz Global Investors Kapitalanlagegesellschaft	650,620	584,220	873,220	890,720	458,180	946,880	470,485	280,480	245,630	286,522	23,350
Allianz of America, Inc.	-	-	-	-	748,950	624,978	-	-	-	-	-
Allied Asset Advisors, Inc.	-	-	-	-	-	-	1,600	1,600	1,600	1,600	1,600
Allstate Investment Management Co.	182,900	192,100	107,300	118,100	151,100	59,500	58,400	73,700	38,100	38,100	-
Alte Leipziger Trust Investment GmbH	-	-	-	-	-	-	-	-	-	-	1,000
American Century Investment Management, Inc.	617,300	669,900	669,620	2,244,900	2,247,000	2,072,000	15,000	18,095	19,900	1,902	309,282
AmeriCap Advisors LLC	-	-	-	89,000	98,000	109,000	81,000	136,200	-	265,500	-
AMF Pensionsforsakring AB	-	-	-	-	-	-	-	-	280,000	280,000	-
Amica Mutual Insurance Co., Inc.	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	126,725	140,275	140,078
Analytic Investors, Inc.	311	199	-	-	-	-	-	-	-	146,021	161,955
Ann Advisors, Inc.	11,024	-	-	-	-	-	3,900	-	-	-	-
Appleton Partners, Inc.	37,300	37,300	62,660	78,550	75,345	78,420	77,320	80,920	80,920	79,460	169,273
AR Asset Management, Inc.	-	-	-	12,200	12,200	12,300	12,200	12,200	12,200	-	-
Archie Gray Allen, Jr.	-	-	600	600	600	600	600	600	600	600	600
Ardsley Partners	-	-	-	-	-	-	-	-	-	-	750,000
Ark Asset Management Co., Inc.	2,255,900	-	12,600	571,300	566,900	546,600	1,211,300	626,000	13,300	19,600	19,300
Armstrong Shaw Associates, Inc.	240,975	29,000	62,900	650,020	660,680	-	39,900	-	-	-	-
Arnhold & Johnson & Cie, LP	-	-	-	-	-	-	-	-	-	114,630	214,600
Arrivan Partners LP	11,600	-	-	-	-	-	-	-	-	-	53,200
Ashburton (Jersey) Ltd	-	-	-	-	-	-	-	-	32,600	32,600	-
Ashfield Capital Partners LLC	156,575	163,109	172,992	183,018	210,279	222,368	195,675	231,706	232,604	192,543	-
Atlantic Investment Management, Inc.	-	-	-	-	-	-	-	-	-	-	445,560
Atlantic Trust Stein Ace	9,028	9,028	9,028	9,128	-	-	-	140,018	139,288	134,135	84,060
Atwood & Palmer, Inc.	7,302	-	-	-	-	-	-	-	-	-	-

Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Aviva Gestion d'Actifs SA	-	-	-	-	-	-	-	-	60,000	60,000	60,000
Aviva Vida y Pensiones SA de Seguros y Reaseg	-	-	-	-	-	-	-	-	-	60,000	-
AXA Framington Investment Management Ltd.	-	-	-	-	-	-	-	-	7,000	7,000	-
AXA Investment Managers Paris SA	98,300	100,900	60,000	84,880	84,860	85,860	85,860	15,253	15,253	28,460	38,710
AXA Rosenberg Investment Management LLC	-	3,800	-	-	-	-	-	100	100	-	700
Ayelu Asset Management	123,885	132,182	185,804	167,139	210,430	287,230	364,980	389,087	483,983	522,118	-
Azzad Asset Management, Inc.	-	-	-	-	-	-	300	300	300	300	300
Babson Capital Management LLC	66,270	66,820	62,450	57,890	55,330	53,330	41,000	62,315	60,515	63,500	43,400
Balnco International Investors LLC	63,280	-	-	-	-	-	-	-	-	-	-
Baird Investment Management	8,761	7,729	9,120	25,118	9,214	9,210	12,368	11,752	11,049	10,918	46,634
Baker Boyer National Bank Asset Management	70,025	70,125	-	-	21,625	25,750	-	-	-	-	-
Baldwin Brothers, Inc.	42,625	82,483	65,983	63,283	43,663	38,788	32,282	31,592	31,592	11,700	-
Banca del Gotardo (Switzerland)	-	-	-	-	-	16,000	16,000	16,000	16,000	76,000	76,000
Banca Finnat Euramerica SpA (Asset Manageme	-	-	-	-	-	-	-	-	-	-	500
BancorpSouth, Inc. Asset Management	3,100	1,600	1,423	650	650	650	650	1,450	-	-	-
Bank Julius Baer & Co. AG	-	-	-	-	-	-	-	-	-	-	30,000
Bank Morgan Stanley AG	37,400	10,300	22,550	21,400	27,310	55,700	66,173	84,369	91,537	109,229	38,100
Bank of Hawaii Asset Management Group	8,557	12,771	-	-	-	-	-	-	-	-	-
Bank of New York Co. NA (MA)	10,894	10,864	10,864	11,364	11,364	10,364	10,664	10,664	9,664	10,564	-
Bank of New York Trust Co. N.A.	23,505	24,680	28,013	24,886	28,468	28,818	12,610	7,010	7,010	8,710	8,710
Bank of the West Investment & Trust Department	10,500	10,200	7,275	7,175	-	4,150	-	-	-	-	-
Bankhaus Carl Spaengler & Co (Asset Manageme	-	-	-	-	-	-	-	2,500	2,500	10,650	10,650
Banque Degroof SA	-	-	-	-	-	-	6,000	6,000	6,000	6,000	6,000
Barclays Fondos SA SGIIC	-	-	-	-	-	-	-	-	-	-	12,159
Barclays Global Investors NA (CA)	12,612,337	12,495,589	12,290,945	13,720,715	13,126,749	13,259,275	13,832,152	13,117,039	12,700,937	12,756,674	14,242,034
Baring Asset Management, Inc.	-	-	-	-	18,200	18,700	-	-	-	-	-
Barrett Associates, Inc.	65,300	75,900	102,800	149,570	173,220	180,320	172,870	188,815	176,668	164,888	-
Barrow, Hanley, Mewhinney & Strauss, Inc.	22,399,590	20,903,390	17,579,700	15,725,500	15,214,880	14,890,410	17,373,610	16,702,810	17,072,510	-	-
Bartlett & Co., Inc.	21,163	19,765	34,982	33,182	31,382	19,883	17,883	17,883	17,883	17,883	16,883
Batterymarch Financial Management, Inc.	41,500	-	-	-	-	-	-	-	-	-	-
BB&T Asset Management LLC	4,590	-	-	7,140	7,340	7,340	18,878	20,221	27,253	11,918	13,148
BBVA Gestion SGIIC SA	-	-	-	-	-	45,178	45,178	99,748	99,748	99,748	55,089
BBVA Patrimonios	-	-	-	-	-	-	-	-	-	-	38,583
Beacon Trust Co.	-	-	-	127,249	140,449	142,364	163,680	163,405	187,450	-	-
Bear Stearns Asset Management, Inc.	-	-	-	309,000	367,200	424,500	590,200	650,200	650,200	-	-
Bear, Stearns & Co., Inc.	628,285	142,573	154,755	497,936	542,493	520,672	188,062	131,209	129,311	129,611	204,233
Bearbull Asset Management Ltd.	-	-	-	-	-	-	20,000	20,000	19,300	19,300	19,300
Beaty, Haynes & Petterson, Inc.	-	-	-	25,860	25,530	25,860	22,020	14,020	13,020	9,290	-
Becker Capital Management, Inc.	388,938	373,023	369,073	375,068	310,868	282,568	270,068	253,568	256,968	273,068	394,846
Bel Air Investment Advisors LLC	348,488	348,488	233,918	25,000	404,408	416,068	404,408	-	-	-	-
Berkeley Capital Management LLC	600	600	600	600	600	600	658	540	400	400	400
Bessemer Investment Management LLC	33,795	33,595	22,296	22,600	22,900	24,370	32,310	19,242	21,353	54,991	23,538
Beutel Goodman Investment Counsel	29,185	28,430	16,535	22,920	22,920	22,920	22,920	22,920	22,920	22,920	22,920
Biplemme Gestioni SGR SpA	-	-	-	-	-	-	236,002	236,002	236,002	236,002	-
Birinyi Associates, Inc.	7,000	7,000	7,000	7,125	7,125	6,125	13,125	11,000	-	-	-
Bishop Street Capital Management, Inc.	242,300	183,150	217,500	173,200	170,880	153,680	131,660	92,780	93,680	87,000	12,151
Bjurman, Barry & Associates	34,800	171,560	22,580	25,425	25,425	19,925	17,425	17,925	17,945	24,245	32,800
BlackRock Advisors, Inc.	-	-	-	-	-	-	-	-	307,600	423,900	-
Blackrock Investment Management (UK) Ltd.	20,000	20,000	717,327	1,083,412	1,938,279	2,826,866	3,321,487	3,289,103	3,357,478	1,634,653	113,386
BlackRock Japan Co. Ltd.	-	-	693,880	620,250	580,710	519,480	626,230	491,880	519,070	81,500	48,400
BMO Capital Markets (CA)	323	323	523	59,638	59,638	65,849	12,688	20,927	22,205	23,104	7,453
BNP Paribas Arbitrage SNC	-	-	-	-	-	-	-	-	-	-	18,457
BNP Paribas Asset Management (France)	-	-	-	-	486,518	625,258	654,748	682,408	670,263	698,703	697,992
BNY Investment Advisors	427,854	428,738	387,919	383,898	352,508	357,280	376,188	336,081	302,547	282,380	242,759
Bonnete Enterprises, Inc.	-	-	32,500	32,500	32,500	32,500	32,500	32,500	-	-	-
Boone County National Bank	-	-	3,075	2,955	2,855	2,955	2,748	2,685	2,685	2,685	2,490
Boston Advisors, Inc.	7,460	7,450	8,500	8,500	8,500	-	-	-	-	-	-

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Boston Private Value Investors, Inc.	-	-	-	-	-	-	-	269,955	281,805	253,880	89,130
Boston Trust & Investment Management, Inc.	7,967	7,787	7,887	7,887	7,887	7,887	7,921	5,581	4,400	4,400	-
Bowman Financial Management	81,180	58,880	84,880	86,380	53,710	82,910	52,510	52,520	52,810	68,710	46,780
Boys, Arnold & Co., Inc.	-	-	-	-	-	5,800	5,882	5,800	5,800	-	-
BP Investment Management Ltd.	-	35,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	65,000	-
Brandywine Global Investment Management LLC	460	-	-	-	-	-	-	-	-	-	-
Bremer Investment Advisory Services	-	5,850	-	-	-	-	-	-	-	-	50
Bridges Investment Counsel, Inc.	6,000	6,000	6,000	6,200	6,200	6,200	5,800	5,800	5,800	-	-
Bridgeway Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-	-
Brown Brothers Harriman & Co.	1,082,604	856,080	909,740	560,599	325,497	268,341	308,816	283,378	256,135	21,443	325,000
Brown Investment Advisory, Inc.	320,680	286,146	403,622	427,992	381,133	410,083	282,210	275,585	301,848	270,156	21,443
BSI Service Holding SA	-	-	-	-	-	-	-	3,000	3,000	3,000	89,605
BTR Capital Management, Inc.	38,574	38,974	28,798	28,468	18,648	16,798	14,998	14,998	32,058	50,058	3,000
Burke, Lewton, Brewer & Burke Investment Manag	-	-	-	-	8,850	8,140	8,190	8,190	8,190	-	-
Burroughs Hutchinson, Inc.	44,658	36,408	33,558	29,875	27,828	27,828	27,828	21,275	19,875	20,475	13,685
C. S. McKee LP	575,990	405,990	295,150	81,380	91,300	59,400	-	-	-	-	18,329
CAAM SGR SpA	-	-	-	-	-	-	18,000	18,000	18,000	18,000	60,000
Cadence Capital Management LLC	-	-	-	-	-	-	-	295,700	634,933	-	-
California State Teachers Retirement System	1,222,086	1,196,216	1,372,812	1,372,512	1,283,825	1,176,725	1,240,472	1,271,572	1,213,972	1,321,331	1,306,024
Cambiar Investors, Inc.	-	-	-	-	132,000	-	-	-	-	-	-
Cambridge Investments Ltd.	1,141,958	1,133,956	1,080,791	849,791	1,165,891	1,152,269	587,866	-	-	-	-
Canandaigua National Bank & Trust Co.	8,940	8,540	10,440	-	-	-	-	6,400	8,500	-	-
Cantabria Fondos	-	-	-	-	-	-	-	-	-	-	-
Cape Ann Savings Bank	-	-	-	-	-	-	-	-	-	-	1,186
Capital Advisors, Inc. (GK)	10,425	8,058	-	-	-	-	-	-	600	600	600
Capital City Trust Co.	-	-	5,850	5,300	5,200	9,025	4,275	3,675	400	600	-
Capital Growth Management LP	-	2,944,000	-	-	4,878,000	855,500	-	-	-	-	-
Capital Guardian Trust Co.	-	-	-	8,200	350	350	-	-	-	-	-
Capital Management Associates, Inc. (FL)	3,050	3,050	2,920	2,540	3,980	2,280	2,280	2,280	3,805	-	-
Capital One Asset Management LLC	-	12,205	12,005	11,805	11,505	10,635	11,135	12,010	12,665	12,981	17,481
Capital Research & Management Co.	6,034,700	3,200,000	3,200,000	1,200,000	-	-	4,000,000	4,390,000	4,540,000	8,940,000	9,540,000
Capitalia Asset Management SGR SpA	-	-	-	-	-	-	-	-	-	-	4,600
Capstone Asset Management Co., Inc.	83,612	84,582	84,947	58,907	51,540	52,329	55,259	55,719	55,009	54,559	55,079
Carlson Capital LP	88,000	88,000	88,000	294,500	-	-	-	-	-	-	-
Carret Asset Management LLC	28,800	90,600	125,407	112,824	114,174	118,474	236,531	218,281	221,791	228,992	26,396
CastleArk Management LLC/C2 Asset Manageme	-	-	-	-	215,000	122,000	-	-	-	-	-
Catawba Capital Management, Inc.	35,410	33,900	38,700	37,050	36,070	35,970	38,020	33,889	35,289	38,189	34,614
Caxton Associates LLC	-	407,200	83,100	282,900	-	-	-	-	-	-	2,598,600
CCM Partners LP	-	-	5,048	5,494	5,494	5,494	5,494	5,494	5,494	5,494	5,494
CedarPoint Capital Management, Inc.	-	-	-	-	-	105,000	105,000	105,000	-	-	-
Central Trust Bank (MO)	-	-	-	2,808	2,808	2,808	2,808	2,808	3,008	3,108	200
Charles Schwab Investment Management, Inc.	535,135	565,735	575,835	585,635	577,249	583,944	594,044	595,744	596,864	595,904	600,604
Charles Stewart Mott Foundation	-	-	75,000	73,500	73,500	73,500	73,500	73,500	73,500	78,500	78,500
Charter Trust Co.	-	-	-	-	-	-	-	5,718	6,718	-	-
Chartwell Investment Partners	-	-	13,930	-	-	-	1,423,870	1,035,300	-	40,000	70,000
Chemical Bank & Trust Co.	30,880	18,160	18,160	18,160	15,980	18,980	18,980	-	18,980	11,110	-
Chesapeake Asset Management LLC	10,000	10,000	24,400	10,000	10,000	10,000	23,850	23,850	23,850	101,850	12,000
Chevy Chase Bank FSB	-	-	-	-	-	-	-	-	-	139,454	141,739
Chicago Asset Management Co.	727,300	-	-	-	-	-	-	-	-	-	-
Chicago Equity Partners LLC	-	-	-	-	-	-	-	-	-	514,700	-
Chittenden Trust Co.	48,850	49,557	58,488	68,310	80,702	84,581	94,485	102,355	107,993	121,990	119,485
Choate Investment Advisors LLC	7,000	7,000	7,000	-	-	-	-	-	8,980	-	-
Choice Investment Management LLC	-	-	-	-	-	-	-	-	13,200	13,200	-
Chubb Asset Managers, Inc.	100,000	100,000	90,000	137,800	137,600	137,600	32,600	32,600	32,600	32,600	32,600
Church Capital Management, Inc.	-	-	-	-	-	-	29,990	30,755	54,115	78,200	83,200
CIBC World Markets Corp.	48,433	14,801	13,088	34,824	21,181	30,217	23,963	31,231	51,080	72,747	14,155
Citadel Investment Group LLC	185,600	156,000	8,600	97,600	8,300	28,300	27,498	50,343	68,051	77,173	174,912

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Citigroup Investment Research	7,920,037	8,014,213	11,144,332	12,581,630	12,415,803	10,836,330	12,823,583	13,576,266	13,489,381	12,754,454	7,607,879
Citizens Investment Advisors	108,838	102,975	96,876	73,825	82,625	87,775	52,575	51,875	44,125	37,500	32,978
City National Asset Management	-	-	-	-	11,100	-	-	-	-	-	-
Clariden Leu AG	-	-	-	-	-	-	-	-	-	-	-
Cobblestone Capital Advisors LLC	-	-	-	-	-	-	-	-	-	-	-
Colorado Public Employees' Retirement Associati	882,102	888,902	471,852	5,347	5,347	8,147	-	8,500	8,500	8,500	8,500
Columbia Management Advisors, Inc.	3,240,202	3,036,809	3,446,906	482,802	433,000	390,200	388,700	382,500	348,400	348,800	246,800
Columbia Partners LLC Investment Management	349,280	343,985	-	2,305,645	2,380,606	2,227,869	2,116,432	1,947,752	1,968,483	2,044,161	1,298,088
Columbus Circle Investors	-	-	-	-	-	-	-	-	-	-	-
Comerica Asset Management	-	-	-	-	-	-	-	-	-	-	-
Cominvest Asset Management GmbH	217,731	220,460	208,809	210,040	215,228	215,248	208,847	200,720	470,800	-	-
Commerce Bank, N.A. (KS)	-	-	-	-	-	-	-	-	190,502	183,089	186,497
Commerce Bank, N.A. (St. Louis, MO)	100	100	100	100	100	2,000	9,100	28,455	28,000	25,000	88,200
Community Trust & Investment Co.	11,920	4,318	3,918	3,918	253,010	536,176	838,801	648,736	28,975	27,530	100
Compass Bank	4,862	-	-	-	4,862	4,862	-	-	822,398	788,481	81,329
Conning Asset Management Co.	291,305	302,348	377,934	22,750	11,415	11,085	10,073	10,073	10,056	9,293	-
Courter Capital Corp.	124,782	125,992	126,344	130,744	128,400	94,000	95,381	81,783	82,883	48,363	43,763
Cowen & Co.	-	-	-	-	-	-	82,851	82,851	82,851	82,851	82,851
Cramer Rosenthal McGlynn LLC	758,211	700,886	626,226	86,196	76,048	59,442	81,781	94,791	42,081	33,653	32,329
Crawford Investment Counsel, Inc.	-	-	17,700	16,700	16,500	7,800	-	-	-	-	-
Credit Suisse (Switzerland)	-	16,400	14,830	13,400	7,900	7,900	7,913	-	-	-	-
Credit Suisse (US)	-	-	-	-	-	10,000	10,000	19,668	19,668	21,227	29,908
Credit Suisse Asset Management (UK) Ltd.	184,931	147,925	117,671	210,355	288,733	349,140	611,211	358,251	348,897	519,501	524,259
Credit Suisse Asset Management, Inc. (NY)	-	-	-	-	-	-	-	-	40,000	40,000	40,000
Crossinvest SA	27,900	925,325	923,725	144,800	410,128	836,988	454,738	288,018	259,307	219,020	95,076
Cutler Investment Counsel LLC	-	-	-	-	-	-	-	-	30,000	30,000	10,000
D. A. Davidson & Co., Inc.	107,200	14,400	-	-	-	-	-	-	-	-	-
D. E. Shaw & Co., Inc.	-	-	-	-	-	-	-	-	-	-	-
D. L. Carlson Investment Group, Inc.	-	-	-	-	-	-	-	-	-	60,150	-
D.F. Dent & Co., Inc.	66,600	69,700	68,366	67,716	68,016	-	52,800	59,400	14,900	273,800	470,800
Dane, Falb, Stone & Co., Inc.	4,500	-	-	-	-	68,016	-	-	-	-	-
Danske Capital Denmark	4,500	-	-	-	4,400	4,300	-	-	-	-	-
Danske Capital Finland Ltd.	-	-	-	-	4,600	4,800	-	-	-	-	-
Davenport & Co. LLC	-	-	-	-	-	-	-	-	-	-	-
David Vaughan Investments, Inc.	441,044	441,121	446,979	449,317	435,635	316,262	3,750	3,750	4,050	4,050	3,900
Davidson & Garrard, Inc.	61,270	62,170	65,970	65,370	64,070	65,770	324,535	10,877	9,542	9,000	-
Davidson Investment Advisors	103,030	107,255	140,530	143,330	129,455	133,615	68,850	69,185	69,200	68,468	-
Davis Advisers	-	189,210	169,260	191,435	189,325	189,325	140,425	140,950	146,068	150,725	12,350
Dawson-Herman Capital Management, Inc.	1,946,760	-	-	-	-	-	169,166	232,321	246,414	257,094	-
Dearden, Maguire, Weaver & Barrett, Inc.	-	-	-	-	-	-	-	-	88,385	88,526	-
Deere & Co. Pension Fund	4,881	5,125	8,125	-	518,100	559,800	124,800	369,600	459,000	-	88,526
Deka Investment GmbH	49,700	49,700	49,700	49,400	-	-	-	-	-	-	-
Delaware Investment Advisers	-	-	-	-	49,400	49,400	84,200	84,200	84,200	61,300	-
Delta Lloyd Asset Management NV	1,174	1,474	28,674	149,200	181,200	181,000	189,579	2,579	2,579	2,579	61,300
Denver Investment Advisors LLC	-	-	-	-	-	637,000	1,847,990	2,232,400	3,066,900	3,278,400	2,579
DePrince, Race & Zollo, Inc.	-	-	-	-	17,980	49,878	-	-	249,736	100,000	128,700
Deutsche Asset Management	533,613	258,195	226,119	550,914	1,326,737	1,880,444	20,150	38,950	39,150	23,750	-
Deutsche Asset Management Investment GmbH (I	-	-	-	-	-	-	269,400	332,600	-	-	-
Deutsche Bank Investment Management, Inc.	7,276,183	6,641,173	5,648,803	5,334,206	3,955,024	4,638,988	415,835	388,488	374,942	234,982	188,588
Deutsche Bank Securities, Inc.	418,367	944,606	589,883	824,712	302,157	456,497	3,916,076	4,412,120	4,139,616	3,885,733	363,180
Dexia Asset Management (Belgium) SA	-	-	-	-	4,448	17,877	490,273	1,565,424	-	1,881,500	3,195,306
DG Capital Management, Inc.	-	-	-	-	-	-	17,677	20,082	73,234	100,734	2,831,010
Dimensional Fund Advisors, Inc.	94,600	103,100	110,700	116,300	119,100	122,900	123,900	123,900	125,000	123,200	43,134
Dion, Hubard & Feinour, Inc.	22,250	22,250	22,250	22,250	22,250	22,150	21,150	21,150	21,150	21,250	200,000
DLJBJ Asset Management Co. Ltd. (Japan)	385,694	560,762	884,917	718,414	-	-	-	-	1,955	2,198	124,900
DLJBJ Asset Management Co. Ltd./DIAM Internati	-	-	-	-	37,910	37,756	19,136	3,299	4,416	27,616	18,950
DnB NOR Asset Management	-	-	-	-	-	-	-	-	-	196,805	17,486
											207,970

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Dodge & Cox, Inc.	242,484	242,584	239,584	237,984	241,084	235,184	234,584	228,684	228,684	226,584	108,000
Doheny Asset Management LLC	10,308	10,308	20,277	22,027	22,027	22,027	24,527	24,927	25,327	23,090	386,455
Dreman Value Management LLC	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	-
Dreyfus Investment Advisors, Inc.	381,150	351,500	988,300	1,218,300	1,288,477	1,204,765	894,200	1,109,100	1,537,900	1,440,380	702,300
Driehaus Capital Management LLC	138,484	-	-	-	-	-	-	-	-	-	-
DSI International Management, Inc.	48,900	48,900	62,200	62,200	62,200	62,200	62,200	62,200	62,200	62,200	62,200
Duff & Phelps Investment Management Co., Inc.	168,285	162,180	161,090	160,065	152,980	77,560	83,160	71,160	71,170	71,230	71,230
Duncker, Streett & Co., Inc.	8,950	8,950	14,000	7,200	8,300	4,700	-	-	-	-	-
DuPont Capital Management	-	-	-	-	-	-	-	-	-	-	532,900
E. Ohman J:or Fonder AB	-	-	-	-	-	-	-	-	2,900	2,900	2,900
Eads & Heald Investment Counsel, Inc.	27,375	28,380	29,875	31,815	31,560	30,840	30,425	30,180	30,420	30,420	-
Eastern Investment Advisors	-	-	-	-	-	-	8,660	-	-	-	-
Eastover Capital Management, Inc.	42,370	46,735	45,875	50,660	52,238	57,758	52,975	57,683	-	107,448	101,938
Eaton Vance Management, Inc.	2,119,800	2,120,300	2,720,300	3,114,309	3,140,690	3,202,250	3,339,575	3,166,175	3,600,875	2,425,529	562,553
Edge Asset Management, Inc.	281,000	290,800	801,800	801,800	663,000	663,000	728,000	795,000	463,000	-	-
Edgewood Management LLC	-	-	8,850	7,350	7,650	8,050	-	-	-	-	-
EDM Gestion SGIIC	-	-	-	-	-	-	-	-	-	-	408
Elliott & Associates, Inc.	10,000	10,000	10,000	9,000	9,000	8,800	-	-	-	-	-
Emerson Investment Management, Inc.	66,321	59,821	68,540	76,965	81,695	88,885	86,455	93,178	104,475	110,643	22,029
Endex Capital Management LLC	-	-	3,800	4,750	4,700	4,700	13,334	13,334	13,334	13,334	10,534
Engebretson Capital Management, Inc.	-	-	31,875	-	-	-	-	-	-	-	573
Engemann Asset Management	-	-	-	508,000	671,550	671,550	-	-	-	-	-
Ensemble Capital Management LLC	-	-	-	83,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800
EOS Partners LP Equity Strategies	-	-	-	-	-	-	-	-	-	30,000	100,000
Erste Sparinvest - Kapitalanlagen GmbH	-	-	-	-	21,700	21,700	21,700	21,700	14,500	14,500	40,000
Essex Investment Management Co, LLC	269,420	501,220	89,770	424,268	679,925	647,075	32,665	36,648	77,988	17,785	-
Estabrook Capital Management LLC	8,057	8,082	7,482	9,357	9,357	10,197	8,667	8,634	-	-	-
Eurizon Capital SA	-	-	-	-	-	-	-	-	154,600	154,600	154,600
Evergreen Investment Management Co., Inc.	1,183,782	1,241,725	1,192,783	1,344,414	1,359,859	1,632,772	1,103,829	984,422	938,055	1,389,196	834,643
Exis Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-	555,000
ExxonMobil Corp. Pension Trust	87,368	81,368	85,494	88,194	86,094	78,294	78,894	87,126	83,826	86,281	87,687
FAF Advisors	194,598	185,327	1,039,722	1,983,934	1,565,554	1,995,578	1,280,344	1,274,328	387,314	823,914	609,241
FBB Capital Partners	-	-	-	-	8,320	8,410	8,208	-	-	-	-
Federated Investment Management Co.	1,035,400	1,052,000	202,800	259,000	401,900	401,285	391,200	395,500	264,600	-	-
Feinstein Capital Management	-	-	150,000	-	-	-	-	-	-	-	-
Fidelity Investments International (UK) Ltd.	2,094,790	1,984,050	1,701,840	1,188,550	1,395,870	662,698	739,100	815,000	1,115,140	2,081,115	344,300
Fidelity Investments SA (France)	-	-	-	-	11,600	11,600	11,600	11,600	8,770	9,770	2,940
Fidelity Management & Research	53,587,791	52,495,168	53,647,463	45,203,980	52,268,822	60,988,580	40,259,556	41,807,233	41,925,202	49,852,490	36,878,080
Fideuram Asset Management Ltd. (Ireland)	-	-	-	-	-	-	-	-	-	-	6,000
Fiduciary Asset Management Co., Inc.	-	69,000	-	-	-	-	-	23,200	71,700	234,000	12,000
Fiduciary Financial Services of the Southwest, Inc	50,621	54,281	54,281	54,551	53,281	58,751	54,897	34,947	35,847	35,988	35,373
Fiduciary Management Associates LLC	121,800	138,300	149,750	151,900	167,100	179,788	84,738	119,535	146,000	-	-
Fiduciary Management, Inc.	-	-	-	-	-	-	-	-	-	-	14,000
Fiduciary Trust Co.	-	-	-	-	-	-	-	8,262	7,092	-	-
Fiduciary Trust Co. International	2,041,942	2,037,192	2,067,442	2,067,250	2,041,950	2,052,230	2,042,285	2,042,685	209,580	167,313	23,802
Fifth Third Asset Management	76,410	84,260	87,727	137,609	131,575	158,768	212,383	236,021	244,302	275,038	286,790
Financial Counselors, Inc.	-	-	-	-	-	-	-	69,130	71,360	66,680	46,795
First Citizens Capital Management Group	-	-	-	-	-	-	-	-	13,242	13,242	80,214
First Community Bank of Bluefield	-	6,480	6,480	6,180	6,780	5,670	-	-	-	-	-
First Financial Bank NA	24,765	24,740	24,740	24,740	24,740	13,690	10,715	10,640	8,422	-	-
First Interstate Bank	-	5,550	-	-	-	-	-	-	-	-	-
First Investors Management Co., Inc.	-	-	168,000	170,000	170,000	-	-	-	-	-	-
First Manhattan Co.	8,880	-	-	-	-	-	-	-	13,260	8,880	-
First Midwest Bank Trust Division	30,820	32,480	-	-	-	-	-	-	-	48,780	72,540
First National Bank of Chester County	800	850	850	650	650	650	550	775	775	700	700
First Niagara Investment Advisors, Inc.	23,450	52,700	60,200	85,150	68,250	68,250	42,750	40,450	21,618	-	-
First Quadrant LP	17,800	17,800	736,800	85,100	14,400	-	16,800	200	200	-	-

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
First Tennessee Bank	-	-	7,200	7,900	8,382	5,270	-	5,770	-	-	-
First Trust Advisors LP	-	-	753	1,439	2,198	2,327	3,376	5,849	7,131	-	-
FirstMerit Trust	109,161	112,074	100,944	104,121	96,194	92,284	87,583	79,121	83,032	80,448	10,875
Fisher Investments, Inc.	-	-	7,600	-	4,600	-	8,000	-	-	-	-
Flippin, Bruce & Porter, Inc.	38,633	41,033	40,533	38,700	29,900	29,900	-	-	-	-	-
Flood, Gamble Associates, Inc.	-	-	-	-	-	-	-	-	-	-	-
FM Global	-	200,000	226,700	226,700	201,500	201,500	151,500	151,500	-	500	-
Folger Nolan Fleming Douglas, Inc.	18,516	18,516	18,016	18,082	18,082	18,322	18,322	18,182	12,182	-	-
Folksam Fond AB	-	-	-	-	-	-	-	-	13,673	13,673	807
Fortis Gesbets SGIIC	-	-	-	-	-	-	-	-	-	-	2,038
Fortis Investments Management USA, Inc.	1,837,900	1,897,650	2,020,809	-	22,000	19,800	-	-	-	-	-
Founders Asset Management, Inc.	57,550	-	-	-	717,764	985,270	-	-	-	-	-
Foxhall Capital Management, Inc.	90,940	88,690	88,140	84,340	80,156	58,490	49,940	42,515	49,915	84,069	99,384
Franklin Advisers, Inc.	54,400	22,100	12,701	12,801	13,001	13,101	359,801	363,301	405,701	442,201	2,501
Franklin Mutual Advisers LLC	-	-	-	-	-	-	-	-	-	-	8,700,800
Franklin Portfolio Associates	-	-	-	-	5,800	1,900	-	-	4,700	9,800	641,100
Franklin Street Advisors, Inc.	253,720	342,670	514,795	547,245	427,745	410,695	410,695	118,200	35,045	35,045	35,045
Fred Alger Management, Inc.	1,817,230	5,639,560	7,069,950	11,133,990	10,860,960	9,241,390	5,885,715	2,800,450	2,770,430	919,490	-
Freeman Associates Investment Management LLC	-	-	-	-	-	62,100	-	-	-	28,800	22,000
Front Barnett Associates LLC	24,270	-	-	-	-	5,870	6,170	7,203	-	-	-
Front Street Capital, Inc.	-	-	-	-	-	-	-	-	-	-	25,000
Frost National Bank of San Antonio N.A.	51,974	59,784	52,849	42,489	58,334	76,024	114,270	102,342	122,974	148,824	211,919
Fulton Financial Advisors	-	-	-	7,275	7,975	8,175	40,075	43,788	78,475	72,250	84,825
G. W. Henssler & Associates Ltd.	-	-	-	73,893	84,370	91,058	93,187	104,153	205,552	171,291	12,027
GAM USA, Inc.	-	-	-	-	-	-	-	-	23,224	23,224	2,534
GAMCO Investors	111,000	111,000	112,500	111,000	111,000	111,000	111,000	111,000	111,000	115,000	2,247,650
Gardner Lewis Asset Management	-	-	-	-	-	-	-	-	-	73,400	-
Gardner Russo & Gardner	700	700	700	700	700	700	700	14,700	14,700	14,700	-
Gateway Investment Advisers LP	82,700	81,900	80,300	72,823	70,809	78,478	78,468	84,259	78,864	74,913	69,631
GE Asset Management, Inc.	1,669,892	1,854,600	1,550,083	1,188,656	1,478,876	1,498,663	1,617,836	53,777	53,777	15,242	-
Geewax, Terker & Co., Inc.	-	8,000	7,840	7,840	8,240	8,240	8,520	14,270	14,230	348,990	-
General American Investors Co., Inc.	-	-	-	-	-	-	-	-	-	-	1,300,000
General Motors Asset Management	34,100	29,100	88,100	109,700	109,700	89,400	67,000	59,200	58,100	-	-
General Re-New England Asset Management, Inc	11,300	11,300	4,400	4,900	4,900	1,400	1,100	1,100	1,100	1,100	1,100
George Weiss Associates, Inc.	-	-	-	-	-	-	-	-	-	79,800	-
Geoscooperativo SGIIC	-	-	-	-	-	-	-	-	-	-	479
GfBK Gesellschaft fuer Boersenkommunikation	-	-	-	-	-	-	-	-	8,000	8,000	-
Gilder, Gagnon, Howe & Co. LLC	94,725	84,910	-	-	-	-	-	-	-	-	-
Glenmede Investment Management LP	422,712	441,377	533,180	574,090	578,157	595,332	641,142	428,281	285,681	290,184	129,767
Glens Falls National Bank & Trust Co.	7,300	8,800	13,600	16,400	16,300	16,200	16,200	12,050	16,300	17,150	13,700
Glenview Capital Management LLC	-	-	-	-	-	-	-	-	-	-	800,000
Global Index Advisors, Inc.	-	-	-	-	-	-	-	-	-	18,570	18,570
Global Value Investment Portfolio Management Pt	-	-	-	-	-	-	-	-	-	-	200,000
Globalt, Inc.	1,106,875	308,765	416,462	490,782	428,692	463,832	445,367	-	34,202	-	-
Glynn Capital Management LLC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Gofen & Glossberg, Inc.	5,250	5,250	-	-	2,850	3,050	-	5,450	13,420	12,069	-
Goldman Sachs & Co.	-	-	304,893	341,189	736,565	872,690	534,486	109,619	-	-	47,783
Goldman Sachs Asset Management LP (US)	-	-	302,300	479,200	434,445	454,488	274,080	296,867	308,858	188,633	4,608,400
Goldman Sachs Execution & Clearing LP	-	29,000	-	-	-	-	-	-	-	-	-
Grantham, Mayo, Van Otterloo LLC	-	-	7,500	27,500	25,000	20,000	30,000	42,500	35,000	30,000	87,900
Gratry & Co., Inc.	9,010	9,280	8,960	6,340	6,100	5,800	5,800	5,800	5,800	-	-
Great Lakes Advisors, Inc.	283,803	282,253	253,291	272,881	288,911	270,531	265,850	309,143	328,873	381,103	-
Greylin Investment Management, Inc.	-	-	32,275	32,975	32,475	32,275	35,875	36,275	29,300	74,150	217,400
Griffin Asset Management, Inc.	-	-	-	-	-	-	-	6,000	6,000	-	-
Grisanti Brown & Partners LLC	-	-	-	-	-	-	-	-	-	-	40,000
Gruss Asset Management LP	-	-	148,656	148,656	148,656	148,656	148,656	148,656	148,656	148,656	148,656
Guaranty Trust Co. of Missouri	4,008	8,925	10,325	10,925	10,975	11,485	11,485	11,485	13,985	12,485	10,329

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Guardian Investor Services LLC	748,000	755,900	810,200	813,408	813,408	18,009	18,009	18,009	24,945	28,468	26,456
Guyasuta Investment Advisors, Inc.	9,160	12,060	8,260	8,260	8,260	8,260	8,260	8,260	8,260	-	-
GW & Wade, Inc.	-	-	-	-	-	-	13,020	14,160	14,160	14,160	14,160
GW Capital Management LLC	134,380	134,360	104,860	98,240	123,185	124,516	91,070	89,175	83,245	81,346	82,140
H. G. Wellington Capital Management	20,000	25,800	16,700	16,150	40,850	43,350	16,550	16,550	16,050	16,050	10,550
H. M. Payson & Co.	-	-	-	-	4,350	4,350	-	-	-	-	-
Hale & Dorr Capital Management LLC	5,288	5,288	5,288	-	-	-	-	-	-	-	-
Hallmark Capital Management, Inc.	11,743	11,593	11,478	-	-	-	-	-	-	-	-
Hancock Bank of Mississippi (Horizon Advisers)	-	-	3,890	2,800	2,350	2,050	2,400	1,800	1,800	1,800	400
Handelsbanken Fonder AB	-	-	-	-	-	-	-	-	131,970	131,970	3,029
Hansberger Global Investors, Inc.	-	-	-	-	-	-	52,000	91,100	91,100	110,500	138,200
Hardesty Capital Management Corp.	109,158	108,848	104,396	110,871	110,871	87,108	87,133	50,033	50,483	-	-
Harleysville Group, Inc. Asset Management	348,335	334,245	334,245	332,158	334,075	337,605	334,995	334,995	335,895	336,925	1,840
Harris Investment Management, Inc.	109,008	97,797	94,509	92,235	92,235	87,704	86,504	87,958	88,023	86,773	39,927
Hartford Investment Management Co., Inc.	129,200	132,200	185,437	164,637	164,137	178,037	175,837	176,137	148,337	146,537	154,888
Hartline Investment Corp.	65,499	65,499	65,499	65,499	94,389	35,755	9,175	10,175	10,825	11,125	-
Harvard Management Co., Inc.	176,788	180,088	155,588	180,588	249,588	249,588	183,588	184,888	176,988	176,988	52,295
HBK Investments LP	-	-	-	-	-	-	-	-	21,200	21,200	94,500
Hellman, Jordan Management Co., Inc.	1,084,200	1,388,700	1,545,700	1,393,500	1,404,400	1,703,400	1,888,800	1,227,000	391,600	898,200	-
Hendley & Co., Inc.	27,000	26,800	26,449	24,999	-	-	-	-	-	-	-
Hermes Pensions Management Ltd.	181,871	187,190	171,380	171,380	171,380	175,079	168,748	168,748	168,748	137,703	137,703
Hester Capital Management LLC	-	-	-	-	-	-	-	14,800	20,800	39,000	38,455
HGK Asset Management, Inc.	-	9,200	-	-	-	-	-	-	-	-	-
High Point Bank & Trust Co.	-	-	-	-	-	-	-	-	2,400	2,400	1,800
HighMark Capital Management	-	-	-	524,900	524,900	295,729	295,725	283,435	283,435	236,520	236,820
Holderness Investments Co.	-	-	-	-	-	-	12,190	13,040	13,240	17,090	13,140
Hotchkis & Wiley Capital Management LLC	-	-	-	-	-	-	-	-	-	-	43,300
Howard Capital Management	95,150	95,150	104,775	-	-	-	-	-	-	-	-
Howland Capital Management, Inc.	-	-	6,750	6,250	8,000	8,000	8,000	8,035	8,000	-	-
HSBC Investments (UK) Ltd.	854,817	701,027	695,279	861,184	840,822	901,930	928,597	1,168,281	951,723	705,954	505,875
HSBC Investments Deutschland GmbH	-	-	-	-	-	-	-	-	4,084	4,084	-
HSBC Investments USA	-	-	-	-	-	-	-	54,000	54,000	54,000	54,000
Huntington Asset Advisors, Inc.	60,384	64,259	70,934	69,220	66,795	60,940	54,148	51,041	50,708	38,661	29,081
HVB Capital Management, Inc.	-	-	-	-	400	-	-	-	-	-	-
I. G. Investment Management Ltd.	23,000	-	-	-	10,000	10,000	-	-	-	-	1,900
Iberzaje Gestion SGIIC	-	-	-	-	-	-	-	-	-	-	1,970
IBM Retirement Plan	398,433	392,739	381,464	381,264	353,491	352,144	354,203	372,277	327,048	333,778	334,208
ICC Capital Management, Inc.	97,060	134,460	134,460	136,080	128,120	97,445	112,945	113,345	121,845	153,945	229,675
ICM Asset Management, Inc.	89,000	89,300	68,600	67,700	68,400	52,200	78,460	42,450	41,400	83,409	-
Icon Advisers, Inc.	21,310	23,810	23,300	22,320	-	-	-	-	-	-	-
Independence Investments LLC	-	-	-	-	-	21,899	8,900	12,600	12,200	396,800	4,200
ING Investment Management Co.	1,548,493	1,463,393	804,393	348,330	1,491,393	1,493,618	481,043	529,843	249,693	348,113	103,184
ING Investments LLC	245,600	288,300	99,400	69,700	83,400	75,750	182,710	167,900	333,700	343,850	327,250
Ingalls & Snyder Asset Management	-	9,100	18,000	20,240	22,955	23,055	30,467	30,482	30,587	33,992	118,222
Insight Investment Management (Global) Ltd.	-	-	-	-	-	-	50,000	211,450	236,450	76,450	76,450
Integra Bank, N.A.	-	-	-	-	-	-	-	18,400	18,120	19,720	17,745
Intel Corp. Pension Fund	88,950	88,650	89,750	99,080	99,130	95,450	88,480	114,150	130,650	133,850	131,750
INTRUST Bank N.A.	-	-	-	-	-	-	11,300	11,300	11,300	11,300	11,300
Invemess Counsel, Inc.	88,900	88,600	88,800	86,800	88,834	88,834	88,834	88,834	88,834	88,834	94,634
INVESCO Asset Management Ltd.	-	-	-	-	-	-	25,010	-	13,814	11,880	170,800
INVESCO Capital Management	21,050	8,750	400	54,640	56,109	64,250	42,140	273,766	547,043	661,815	1,411,438
Investments Technology, Inc.	-	-	-	-	-	-	-	-	-	1,900	1,500
Iridian Asset Management LLC	-	-	-	-	-	497,195	672,795	948,195	-	-	-
J. & W. Seligman & Co., Inc.	101,200	101,200	120,800	-	142,400	145,300	-	-	-	-	-
Jacobs Levy Equity Management, Inc.	-	-	-	222,900	-	-	197,700	178,800	18,900	432,900	426,200
JAG Advisors	-	-	1,500	-	-	-	-	-	-	-	-
Janus Capital Management LLC	-	-	-	-	5,155	5,155	-	-	1,207,235	1,991,870	-

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Jennison Associates LLC	-	-	-	-	72,600	-	14,351,500	22,881,700	23,183,617	22,473,284	9,891,100
JLP Asset Management LLC	-	-	-	-	-	-	-	-	-	-	180,000
JMG Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-	22,550
Joel R. Mogy Investment Counsel, Inc.	-	-	-	-	-	-	-	5,613	5,838	-	-
John G. Ullman & Associates, Inc.	65,330	64,780	64,269	63,438	59,688	55,369	53,239	53,138	52,488	123,038	89,640
John P. O'Brien Investment Management, Inc.	28,429	28,442	28,442	28,478	28,238	28,245	28,267	28,279	28,282	28,457	28,345
Johnson Investment Counsel, Inc.	399,829	390,904	417,104	426,417	455,766	483,269	541,379	563,676	576,709	579,754	410,878
Johnston Lemon Asset Management, Inc.	-	-	9,300	9,350	9,850	-	-	7,230	7,230	8,730	-
Johnston, Reid & Mitchell, Inc.	44,550	42,650	46,449	43,583	40,200	40,200	39,300	41,350	41,900	41,750	38,600
Jones Heward Investment Counsel	-	-	-	110	110	110	510	-	-	-	-
JPMorgan Asset Management (UK) Ltd.	53,400	43,100	41,050	3,506	5,108	8,300	8,713	17,845	68,490	37,078	21,983
JPMorgan Asset Management, Inc. (US)	918	918	918	918	21,600	247,400	1,181,900	836,000	836,851	758,150	491,800
JPMorgan Chase Bank NA	88,601	132,921	217,307	236,928	231,238	270,088	1,758,270	1,788,881	1,484,884	1,359,557	563,316
JPMorgan Investment Advisors, Inc.	1,839,905	1,856,327	3,111,674	2,077,166	2,028,882	2,780,044	1,348,859	1,302,872	789,154	740,693	228,448
JPMorgan Securities, Inc.	-	-	-	-	-	-	2,275	-	117,851	117,851	117,851
JPMorgan Trust Bank Ltd.	-	-	-	-	100	2,500	7,300	5,900	3,900	-	-
Jupiter Asset Management Ltd. (UK)	-	-	-	-	-	55,000	55,000	55,000	55,000	55,000	55,000
Jyske Invest Administration A/S	-	-	-	-	-	-	-	-	-	-	2,000
Kanaly Trust Co.	7,229	7,930	7,930	7,488	28,633	17,210	17,064	18,784	16,014	48,384	37,527
Kanawha Capital Management LLC	4,475	-	-	-	-	-	-	-	-	-	-
Karpus Strategies LLC	-	-	-	-	-	-	10,000	10,000	10,000	10,000	-
KBC Asset Management (Belgium)	-	-	-	-	23,873	23,873	139,278	139,278	183,937	183,937	150,632
KCM Investment Advisors	-	-	-	16,645	-	-	-	-	-	-	-
Keating Investment Counselors, Inc.	18,050	18,500	11,800	9,800	9,800	9,800	9,800	9,800	9,800	34,100	-
Kelmoore Investment Co., Inc.	-	-	127,400	141,800	188,000	135,400	249,200	148,400	191,900	285,000	185,400
Ken Roberts Investment Management, Inc.	83,335	74,310	73,920	69,049	-	-	-	-	-	-	-
Kentucky Teachers Retirement System	89,400	89,400	116,300	116,300	116,300	116,300	116,300	116,300	116,300	109,900	114,000
Kingdon Capital Management LLC	-	-	-	-	300,000	-	-	-	-	-	-
Kingwest & Co.	-	-	-	-	-	-	-	-	-	-	1,550
Klingenstein, Fields & Co. LLC	-	20,700	38,950	39,400	39,400	39,400	42,750	73,050	84,015	84,065	-
Kornitzer Capital Management, Inc.	25,600	20,600	22,000	21,600	20,100	19,800	20,700	19,800	-	-	-
LaSalle National Bank	138,284	143,404	-	-	-	-	-	-	-	-	-
Ledyard National Bank	-	-	-	-	4,400	3,975	-	-	-	-	-
Lee, Danner & Bass, Inc.	23,325	22,825	23,825	24,225	23,625	47,826	30,175	30,175	37,275	36,675	28,525
Legal & General Investment Management Ltd.	371,816	196,858	229,609	238,531	255,471	295,639	331,398	358,828	380,558	353,051	353,051
Legg Mason Canada, Inc.	-	-	61,400	61,700	38,200	38,200	67,180	85,850	18,300	18,000	2,000
Legg Mason Capital Management, Inc.	2,200	1,100	-	-	-	-	-	-	-	-	6,000
Legg Mason Investment Counsel LLC	-	-	-	-	-	-	200	-	-	-	-
Lehman Brothers, Inc.	38,200	8,000	8,800	25,221	16,025	114,484	167,033	85,804	68,663	142,102	704,287
Lehrer Management Co., Inc.	16,500	15,900	17,650	7,890	-	-	-	-	-	-	-
Lemanik Asset Management Luxembourg SA	-	-	-	-	-	-	-	-	-	-	6,000
Liberty Ridge Capital, Inc.	-	32,500	-	-	-	-	82,000	-	-	-	-
LKB Expert Fondsleitung AG	-	-	-	-	-	-	-	-	-	80,400	80,400
Lockheed Martin Investment Management Co.	400,400	385,400	376,000	375,000	275,000	195,000	195,000	95,000	175,000	125,000	125,000
Loeb Partners Corp.	10,000	8,000	8,000	8,000	8,000	8,000	7,000	7,000	7,000	-	-
Loews Corp. Investments	-	-	-	-	-	-	-	-	10,300	-	-
Logan Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-	-
Lombard Odier Darier Hentsch & Cie.	-	-	-	-	-	-	-	6,350	-	-	-
Loomis, Sayles & Co. LP	850,742	834,937	685,740	548,340	490,540	451,590	11,000	11,000	10,000	10,000	-
Lord Abbett & Co. LLC	-	-	-	-	-	-	431,590	347,290	284,810	210,900	89,800
Loring, Wolcott & Coolidge Fiduciary Advisors	6,200	4,800	5,800	4,930	4,800	8,033	-	37,109	-	-	145,278
Los Angeles Capital Mgmt & Equity Research, Inc	24,500	28,900	28,900	283,046	282,233	23,400	6,833	6,833	5,930	5,800	4,800
Lotsoff Capital Management	-	-	-	-	-	-	24,500	24,500	24,500	38,700	151,900
Lowe Brockenbrough & Co., Inc.	445,475	443,025	487,828	483,478	274,976	282,080	55	55	55	58	55
LSV Asset Management	-	-	-	-	-	-	423,365	360,295	382,755	393,358	-
Luther King Capital Management Corp.	936,780	895,284	930,784	975,984	928,764	873,064	888,164	894,657	918,437	904,525	554,969
Lux Investment Advisors SA	-	-	-	-	-	-	-	-	-	28,960	28,960

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
M & I Investment Management Corp.	45,118	44,959	43,600	84,128	83,516	87,984	76,278	78,470	72,418	31,083	22,836
M&T Investment Group	-	25,110	23,885	21,840	31,250	31,748	93,308	97,374	95,884	93,696	93,916
M. A. Greenwood & Associates, Inc.	24,300	24,400	24,400	24,100	24,100	24,100	23,600	23,600	22,200	22,460	-
M.M. Warburg Invest KGaA	-	-	-	-	-	3,200	3,200	3,200	3,200	-	-
MacKay Shields LLC	60,000	-	-	-	-	-	-	-	-	-	-
Mackenzie Financial Corp.	33,400	55,200	67,400	75,400	78,200	75,700	7,600	480	3,900	3,900	-
Mainstream Investment Advisers LLC	-	-	-	35,000	20,000	-	-	-	-	-	-
Mandatum Asset Management Ltd.	-	-	-	-	-	-	-	-	6,623	6,623	6,623
Manning & Napier Advisors, Inc.	-	-	-	-	791,050	369,073	-	-	-	-	-
Marco Investment Management LLC	-	-	-	-	-	-	-	216	216	216	100
Marketocracy Capital Management LLC	-	-	-	-	-	-	-	-	-	-	50
Marketon International LLC	4,700	-	-	-	-	-	-	-	-	-	41,000
Marque Millennium Capital Management Ltd.	-	-	-	2,800	-	6,700	99,400	100,000	104,370	114,150	113,554
Marsico Capital Management LLC	-	-	-	-	2,256,860	60,574	-	-	-	-	-
Marvin & Palmer Associates, Inc.	-	337,900	-	-	304,700	668,400	-	-	577,000	-	-
Mason Street Advisors LLC	16,400	16,400	16,400	16,400	16,400	16,400	16,400	-	-	-	-
Masters Capital Management LLC	-	-	-	-	-	250,000	-	-	1,1[illegible]8,000	1,100,000	250,000
Maverick Capital Ltd.	-	-	-	-	-	-	-	-	-	-	10,000,000
MB Investment Partners, Inc.	44,350	45,850	40,850	24,421	23,850	23,750	29,250	21,700	[illegible],700	29,700	-
McCullough & Associates LLC	12,300	12,300	10,300	8,300	8,300	-	-	-	-	-	-
McGlinn Capital Management, Inc.	275,200	354,800	275,975	463,782	485,914	443,114	363,032	317,882	334,[illegible]32	476,414	-
McMorgan & Co. LLC	13,500	12,000	12,000	5,900	5,400	5,000	5,000	3,500	2,700	2,700	2,700
Mellon Capital Management	2,113,619	1,648,447	1,812,889	1,944,241	2,298,264	2,400,511	2,994,884	4,543,353	4,3[illegible]6,083	4,949,543	2,566,816
Mellon Equity Associates LLP	1,800	2,400	28,500	28,400	21,600	-	-	-	2,000	1,900	1,800
Mercantile-Safe Deposit & Trust Co. /Mercantile C	-	-	-	-	79,034	79,034	55,800	55,800	-	-	-
Meridian Investment Advisors	24,185	24,960	23,460	23,250	21,825	21,650	7,260	-	-	-	-
Merrill Lynch, Pierce, Fenner & Smith, Inc.	1,259,850	1,621,208	1,824,381	1,547,912	1,392,513	1,437,236	1,736,926	1,473,886	1,101,871	1,243,912	760,310
Mesirow Asset Management, Inc.	46,930	46,930	73,695	-	-	-	-	-	-	-	-
Metropolitan Life Insurance Co.	287,323	284,032	284,586	278,024	314,085	313,959	314,080	309,885	296,493	309,995	299,586
Metropolitan West Capital Management LLC	-	-	182,552	361,481	536,534	665,513	1,162,882	1,426,816	1,610,555	1,614,316	1,093,500
Metzler Asset Management GmbH	-	-	-	2,000	2,000	2,000	2,000	2,000	2,000	-	-
Meyer Handelman Co.	278,434	278,034	278,034	278,034	275,634	275,634	275,634	275,634	278,234	278,234	283,434
MFC Global Investment Management	218,472	219,709	221,408	220,809	90,595	91,988	58,868	58,804	93,727	92,890	339,645
MFC Global Investment Management (US) LLC	453,423	293,224	-	359,669	198,409	192,332	-	372,095	843,829	223,283	45,925
MFM International	-	-	-	-	-	-	-	427,080	422,080	496,855	285,380
MFS International (UK) Ltd.	-	-	-	-	42,500	42,500	37,580	37,580	3,300	3,300	12,800
MFS Investment Management	2,019,395	2,210,580	4,381,950	8,088,045	9,051,175	5,015,627	2,412,660	2,820,384	5,041,262	3,790,482	113,474
Michigan Department of Treasury	250,859	250,859	250,059	258,059	258,959	258,759	264,059	263,959	258,828	258,828	264,828
Millennium Partners	-	-	-	-	-	-	431,509	103,403	196,048	218,888	1,361,087
Missouri State Employees Retirement System	63,380	66,280	63,780	57,180	58,380	57,780	57,280	55,480	56,480	44,680	38,080
Missouri Valley Partners, Inc.	-	-	-	-	-	-	6,400	-	-	-	-
MIT Investment Management Co.	32,700	28,700	40,600	40,600	40,600	39,350	39,350	39,350	39,350	39,350	-
Mitchell Sinkler & Starr	25,500	25,500	29,500	28,200	28,000	28,000	28,000	28,000	32,106	28,706	19,706
Monarch Capital Management, Inc.	6,100	9,100	12,000	13,600	-	-	-	-	-	-	-
Monetary Management Group, Inc.	-	-	-	-	-	-	4,250	2,625	1,875	1,125	1,500
Montag & Caldwell, Inc.	-	19,700	-	-	-	-	-	181,600	-	-	-
Moody, Lynn & Co.	-	29,962	5,250	-	11,950	4,170	-	-	-	-	-
Moore Capital Management LLC	990,600	1,281,984	106,722	181,722	40,000	-	-	-	-	-	-
Morgan Asset Management, Inc.	130,995	132,905	117,428	111,029	117,240	121,618	194,974	346,119	485,303	211,828	33,909
Morgan Dempsey Capital Management LLC	-	-	-	-	-	-	-	17,280	17,280	-	-
Morgan Stanley & Co., Inc.	786,188	640,026	936,983	1,636,872	1,430,496	1,549,272	1,959,740	1,301,156	1,857,327	1,781,484	3,839,868
Morgan Stanley Gestion SGIIC SA	-	-	-	-	-	12,485	12,485	10,882	22,442	22,442	33,755
Morgan Stanley Investment Management (UK)	-	-	-	-	-	-	-	-	235,100	235,100	-
Morgan Stanley Investment Management, Inc.	3,984,338	4,358,209	2,433,139	1,240,229	2,096,899	3,857,254	1,838,591	3,887,845	2,905,227	2,234,980	19,515,558
Morley Fund Management	-	-	-	-	-	-	-	22,700	-	11,300	20,100
Morse Williams & Co., Inc.	29,050	25,250	10,950	-	-	-	-	-	-	-	-
MTB Investment Advisors, Inc.	-	-	-	-	232,590	232,590	234,290	234,290	219,690	219,690	129,690

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Mulvihill Capital Management, Inc.	-	-	-	-	-	60,500	-	-	-	26,000	350,500
Munder Capital Management	-	-	-	-	-	8,000	8,000	106	106	106	449,716
Murphy Capital Management, Inc.	-	-	-	-	-	49,715	45,674	7,060	7,150	7,200	7,300
Mutual of America Capital Management Corp.	7,480	7,750	7,750	7,800	7,800	14,435	13,985	44,127	43,344	42,340	43,366
MyBank/First United Bank & Trust Co.	14,600	19,400	89,882	90,649	71,359	900	700	15,660	17,435	18,485	-
National Bank of Indianapolis Wealth Managemen	-	-	-	-	-	-	-	780	700	728	180
National Independent Trust Co.	-	-	-	-	-	913,600	1,138,600	-	-	-	2,180
National Rural Electric Cooperative Association	-	-	-	-	-	-	1,000	1,113,300	1,143,600	466,600	-
National Westminster Bank Plc	1,803,600	1,423,600	1,423,600	1,423,600	1,183,600	2,500	-	1,000	1,000	1,000	800
Natixis Private Banking Luxembourg SA	-	-	-	-	-	-	2,132	-	-	-	13,000
NBT Bank	-	-	-	-	-	2,223,767	-	2,132	2,132	2,132	2,132
NCM Capital Management Group, Inc.	-	-	-	2,500	2,500	-	2,295,284	-	-	-	-
Needham Investment Management LLC	324,100	320,060	273,775	562,650	108,900	53,700	-	1,263,747	976,807	911,833	202,500
Neuberger Berman LLC	-	-	-	-	-	159,948	175,471	-	-	-	46,444
Neuflize OBC Asset Management	1,909,019	569,809	3,138,324	4,619,868	3,878,858	1,200,000	1,896,300	58,100	1,565,800	1,527,800	76,815
New Jersey Division of Investment	-	-	-	-	-	1,584,660	1,584,660	173,230	58,100	58,100	1,307,800
New Mexico Educational Retirement Board	-	-	-	-	-	228,790	228,790	1,963,600	171,382	187,310	82,000
New York Life Investment Management LLC	278,200	56,200	68,200	58,200	68,200	-	-	1,435,760	1,779,030	1,969,130	164,078
New York State Common Retirement Fund	287,277	646,066	318,853	162,248	160,628	53,700	53,700	18,110	1,435,760	1,291,960	2,014,405
New York State Teachers Retirement System	1,387,700	1,354,900	1,285,700	1,263,200	1,189,200	159,948	175,471	89,000	270	270	1,191,960
Newton Investment Management Ltd.	1,756,180	1,584,660	1,584,660	1,584,660	1,584,660	1,200,000	1,896,300	83	87,100	-	270
Nicholas Advisors, Inc.	150,000	107,000	169,600	117,400	318,600	1,584,660	1,584,660	1,963,600	-	-	-
Nicholas-Applegate Capital Management	-	-	-	-	-	228,790	228,790	1,435,760	69,600	58,500	137,700
NISA Investment Advisors LLC	2,285,771	1,011,717	12,283	83	83	-	-	18,110	856,700	975,720	30,200
Nissay Asset Management Co.	44,500	44,500	40,800	46,400	57,800	53,900	61,700	89,000	-	-	-
NLI International, Inc.	-	121,234	-	-	244,070	-	-	83	178,938	210,636	193,600
Nomura Asset Management Co., Ltd.	-	20,500	34,900	23,300	-	-	-	66,900	149,200	143,400	-
Nomura Asset Management U.S.A., Inc.	13,200	16,500	19,500	16,950	17,058	-	-	-	390,913	450,853	150,038
Nomura Securities Co., Ltd. (Wealth Management	84,600	138,900	167,900	188,100	163,600	51,358	50,360	49,950	62,231	62,231	267,560
Norges Bank Investment Management	89,028	114,576	120,416	118,213	219,882	174,000	170,200	153,500	250	250	-
North American Management Corp.	-	-	-	-	-	281,406	368,405	325,711	700	700	-
Northeast Investment Management, Inc.	1,100	1,100	1,100	250	250	-	24,930	28,258	-	-	-
Northern Capital Management LLC	2,950	1,900	1,900	700	700	250	250	250	71,510	109,085	132,099
Northern Trust Global Advisors, Inc.	-	-	10,900	17,900	-	700	700	700	3,812,118	3,833,183	1,893,163
Northern Trust Investments	58,725	113,369	66,950	59,250	84,641	-	-	-	136,200	131,800	131,900
Northwestern Investment Management Co. LLC	3,223,330	3,399,612	2,928,927	2,682,077	3,308,000	64,580	60,880	65,910	187,278	119,718	138,761
NWD Investments	153,000	151,300	149,300	142,000	140,800	3,591,528	3,550,887	3,847,584	1,812,029	1,641,288	1,867,211
NWQ Investment Management Co. LLC	568,252	429,890	519,627	219,685	184,400	140,100	139,700	137,500	-	-	17,414
Odin Forvaltning AS	3,970,334	3,307,683	2,889,622	1,832,067	1,850,175	88,044	221,233	96,506	793,542	921,016	885,238
Ohio Public Employees Retirement System	-	-	-	-	-	1,584,897	1,599,254	1,831,672	540	840	-
OKO Asset Management Ltd.	778,500	778,500	701,697	709,917	694,372	-	-	-	5,625	-	32,128
Old National Wealth Management	-	-	-	-	-	748,448	789,521	793,542	-	-	-
Olstein Capital Management LP	-	-	-	-	-	-	-	-	43,000	74,000	-
ON Investment Management, Inc.	-	-	-	87,000	8,000	-	-	60,000	39,300	-	-
Onyx Capital Management LLC	-	-	50,000	5,000	-	49,000	49,000	72,200	2,359	2,359	2,359
Oppenheim Pramerica Kapitalanlage GmbH	-	-	5,000	-	8,000	-	-	-	8,750	-	-
Oppenheimer Asset Management	-	-	-	-	-	-	-	9,950	9,016,926	10,335,111	9,491,678
Oppenheimer Capital	-	-	-	8,716	9,380	8,890	14,090	7,889,221	4,267,910	5,210,170	5,750,630
OppenheimerFunds, Inc.	-	-	-	5,483	5,483	5,350	5,900,238	3,448,320	62,117	65,318	42,940
Optimum Investment Advisors LP	671,000	5,350	8,350	772,800	832,900	832,900	2,623,700	51,141	27,800	25,500	25,500
Opus Investment Management, Inc.	54,165	721,000	720,000	87,715	68,830	67,515	51,916	34,600	-	-	-
Orleans Capital Management Corp.	-	78,120	81,695	40,200	39,400	38,200	38,200	-	21,036	19,276	-
Osborne Partners Capital Management	79,700	42,900	38,000	58,500	68,800	8,450	-	24,184	-	-	-
Osterweis Capital Management, Inc.	20,732	81,200	65,400	23,484	23,684	24,932	28,984	-	6,375	-	-
P. J. Schmidt Investment Management, Inc.	4,402	20,532	23,584	2,000	2,000	4,402	-	6,375	190,000	-	32,550
Pacific Assets Management LLC	16,800	4,402	4,402	18,075	10,000	14,575	6,575	32,000	-	-	-
Pacific Capital Wealth Management Services	-	16,800	17,878	-	5,115	-	-	-	-	-	-
	5,500	6,550	-	15,175	-	5,115	4,950	-	-	-	-

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Pacific Income Advisers, Inc.	-	-	-	11,135	84,445	69,650	70,620	37,095	8,540	2,775	2,490
PADCO Advisors, Inc. (Rydex Global)	-	-	-	-	-	282,308	283,705	174,811	133,852	130,843	180,137
Paloma Partners Management Co.	-	-	-	-	-	-	-	-	-	-	149,120
Paradigm Asset Management Co. LLC	568,200	611,300	308,100	308,800	318,200	312,900	347,300	302,100	253,700	183,000	-
Paragon Investment Management, Inc.	44,167	44,167	60,767	84,667	84,667	86,167	88,267	36,000	12,600	12,600	-
Parametric Portfolio Associates	75,933	66,371	61,950	73,577	88,153	112,258	89,677	135,185	147,027	107,639	133,370
Park National Bank	7,900	7,200	7,200	7,000	7,550	7,600	12,950	13,850	11,807	11,200	11,300
Parsons Capital Management, Inc.	8,591	7,928	8,715	8,653	8,653	8,165	8,203	8,203	7,353	-	-
Patten & Patten, Inc.	8,400	5,900	8,900	4,950	-	4,729	-	-	7,490	-	-
Peak Investments LLC	105,000	99,000	-	-	-	-	-	-	-	-	-
Pekin Singer Strauss Asset Management	98,110	93,910	93,910	93,910	98,610	78,800	67,900	58,585	58,358	54,329	22,329
PENN Capital Management, Inc.	-	-	6,285	-	-	-	-	-	-	-	-
Pennsylvania Public School Employees Retiremer	-	-	-	-	322,280	311,380	309,380	293,888	528,986	1,249,586	308,786
People's Bank (CT)	-	47,289	50,790	51,489	49,730	49,730	37,884	36,974	37,774	39,474	41,689
Pequot Capital Management, Inc.	-	-	-	-	-	-	71,000	-	-	-	-
Perkins, Wolf, McDonnell & Co.	-	-	331,131	422,011	786,581	787,321	-	-	-	-	-
Petercam Asset Management (Belgium) SA	-	-	-	-	-	-	-	-	4,500	4,500	9,500
Petersen, Flynn & Dinsmore, Inc.	-	-	41,480	41,180	39,780	39,780	31,880	28,380	26,940	2,500	2,400
PGB Trust & Investments	-	-	-	-	-	-	-	12,582	12,582	13,082	12,582
Philadelphia Investment Management Co.	43,016	41,029	38,454	37,784	34,228	30,028	30,198	29,909	29,888	-	-
Phoenix Investment Counsel, Inc.	843,840	425,130	284,900	277,900	214,400	198,900	208,600	179,100	1,000	-	-
Phoenix/Zweig Advisers LLC	12,700	12,700	12,700	-	-	93,600	18,700	-	-	-	-
Pictet Asset Management Ltd.	-	-	-	-	-	-	-	-	1,108	1,108	-
Pin Oak Investment Advisors, Inc.	-	-	23,450	22,450	-	-	-	-	10,432	10,432	-
Pinnacle Associates Ltd.	298,760	303,935	356,655	364,418	342,267	350,817	350,817	383,291	387,392	51,217	40,401
Pioneer Investments	-	-	-	-	308,600	486,600	450,000	450,000	976,000	973,100	-
Pioneer Investments Austria	-	-	-	-	-	350	350	850	850	850	850
Pioneer Investments Kapitalanlagegesellschaft mt	-	-	-	-	-	-	-	-	8,300	23,301	39,901
Pitcairn Financial Group	-	-	27,898	-	4,350	4,445	470	378	378	-	-
PNC Bank NA	622,173	687,884	440,242	426,473	422,606	426,603	441,132	481,972	504,499	496,986	367,765
Prescott Group Capital Management LLC	-	-	-	-	-	-	-	-	-	-	144,000
Principal Global Investors LLC	235,942	242,655	1,315,810	1,752,314	1,599,695	1,618,522	841,806	829,954	841,900	481,744	218,713
Privat Bank Patrimonio SGIIC	-	-	-	-	-	-	-	-	-	-	34,914
Private Asset Management, Inc.	-	6,050	7,450	8,185	7,500	7,822	8,822	8,722	7,225	63,460	89,010
Provident Investment Counsel, Inc.	-	-	-	-	9,100	18,700	18,100	8,700	-	-	-
Prudential Investment Management	967,202	949,742	990,240	959,424	921,236	905,531	911,800	945,709	957,792	1,200,855	1,103,997
Putnam Investment Management, Inc.	14,473,480	13,687,901	13,680,858	11,083,420	9,969,840	15,398,837	4,713,210	4,942,595	1,467,728	234,000	635,800
Qwest Asset Management Co.	226,589	216,268	211,868	215,968	212,268	202,783	198,362	180,288	180,288	169,970	156,087
R. M. Davis, Inc.	-	-	-	-	-	4,200	-	-	-	-	-
Rainier Investment Management, Inc.	336,950	329,850	-	-	-	-	-	-	-	-	-
Ramius Capital Group LLC	-	-	-	-	-	-	24,739	24,229	24,228	23,728	-
Ramsey Quantitative Systems	-	-	-	-	-	-	16,500	20,000	85,800	73,100	-
RAS Asset Management SGR SpA	-	-	-	-	-	-	19,000	19,000	13,000	13,000	13,000
Raymond James & Associates	-	-	-	-	-	-	-	17,938	18,856	-	-
RBC Capital Markets (US)	12,878	10,693	14,322	15,874	12,295	12,295	11,158	16,230	11,200	11,440	9,440
RCM (UK) Ltd.	-	-	-	-	-	590	16,580	16,000	28,000	28,000	-
RCM Capital Management LLC	498,100	477,500	426,100	350,800	401,000	260,100	88,500	67,200	84,500	174,900	400
Reed, Conner & Birdwell LLC	-	-	-	-	-	-	-	-	11,550	9,350	-
Regents of the University of California	6,713,300	6,713,300	6,713,300	6,713,300	6,713,300	6,638,300	1,794,202	-	-	-	-
Renaissance Technologies Corp.	-	137,600	48,600	435,700	-	-	174,800	521,100	180,700	990,200	842,880
Richards & Tierney, Inc.	-	-	-	-	-	6,500	-	-	-	-	-
Rigel Capital LLC	-	-	-	10,400	6,300	9,300	14,500	13,850	11,700	-	-
Riva y Garcia Gestion SGIIC SA	-	-	-	-	-	-	-	-	-	-	2,038
RiverSource Investments LLC	5,523,408	6,518,883	6,411,233	14,330,024	16,794,436	16,273,595	17,869,884	16,887,085	16,550,153	14,033,283	117,004
Roanoke Asset Management Corp.	-	-	-	-	-	-	23,730	26,870	27,900	26,670	-
Robeco Boston Partners Asset Management LLC	-	-	-	14,300	14,300	8,200	8,200	5,900	5,900	-	-
Robeco Weiss, Peck & Greer Investments	762,958	616,421	658,048	667,271	580,434	616,088	684,450	616,101	574,551	579,971	49,921

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Rochdale Investment Management LLC	5,238	-	-	-	-	-	-	-	-	-	-
Rockefeller & Co., Inc.	10,400	10,400	10,400	10,400	10,400	10,400	10,400	600	10,400	10,400	-
RockView Management LLC	19,700	-	26,100	116,100	-	48,000	152,800	34,200	34,200	34,200	37,100
Rodney Square Management Corp.	-	-	-	-	-	-	-	-	10,000	30,000	-
Roger H. Jenswold & Co., Inc.	8,300	8,050	8,350	8,250	8,250	8,347	8,787	8,787	-	-	-
Ropes & Gray LLP	9,280	-	-	11,340	11,340	11,740	8,940	8,940	8,940	-	-
Rothschild Asset Management, Inc. (US)	-	-	-	12,183	12,183	10,600	8,000	8,000	8,700	-	-
Rothschild Investment Corp.	29,600	29,300	59,200	28,700	26,600	26,900	27,800	24,000	24,000	24,500	22,500
Royal London Asset Management Ltd.	95,000	95,000	95,000	84,260	71,005	91,915	58,180	284,650	284,650	284,650	284,650
Rudman Capital Management LLC	-	-	-	-	-	-	-	-	-	-	98,900
Russell Investment Group	39,326	247,357	10,428	74,326	161,272	188,000	55,598	607,348	731,718	671,639	239,011
S.A.C. Capital Advisors	-	-	9,309	22,700	-	-	170,000	-	22,800	77,900	693,700
Safeco Corp. Asset Management	817,800	812,200	812,200	809,700	738,100	707,300	785,700	875,800	456,000	485,000	335,000
Segemore Hill Capital Management LP	-	-	-	-	-	-	-	10,000	-	-	26,900
Salem Capital Management, Inc.	47,900	48,900	48,000	48,650	43,050	43,050	42,550	42,550	41,350	40,780	48,880
Sellent Partners & Pinnacle Trust Co.	100	100	100	100	100	1,220	1,020	920	920	400	700
SAM Groupe Holding AG	-	-	-	-	-	-	-	-	5,700	5,700	4,367
San Francisco Sentry Investment Group	7,500	9,000	9,700	9,100	8,400	8,400	7,900	7,900	7,900	7,900	5,200
Sand Hill Advisors, Inc.	7,080	7,060	7,060	5,890	5,560	5,290	-	-	6,590	-	-
Santander Asset Management SGIIC SA	-	-	-	-	-	-	14,568	14,568	75,259	75,259	-
Saybrook Capital Corp.	-	-	-	-	-	-	-	-	-	-	8,000
Schafer Cullen Capital Management, Inc.	4,960	-	-	-	-	-	-	-	-	-	-
Schneider Capital Management Corp.	-	-	-	-	-	-	-	-	-	-	300,000
SCM Advisors LLC	2,008,022	2,308,721	2,557,201	3,560,470	3,363,566	2,972,083	2,998,923	2,617,043	2,170,468	2,256,131	-
Scottish Investment Trust Plc	-	-	-	-	-	-	190,162	190,162	-	-	169,882
Seaward Management Corp.	17,060	16,660	16,780	19,160	19,360	19,380	20,383	20,413	21,013	21,018	16,583
SEB Investment Management AB	-	-	-	-	-	5,415	5,415	5,415	5,415	-	-
Security Management Co. LLC	455,600	325,200	444,000	218,372	163,283	84,400	2,700	94,200	94,720	94,000	7,100
Segurce Bilbao Fondos SGIIC	-	-	-	-	-	-	-	-	-	-	1,087
Sena Weller Rohs Williams, Inc.	21,487	22,937	22,060	23,060	27,060	26,410	27,604	25,604	21,804	21,804	22,800
Sentinel Asset Management, Inc.	818,800	821,350	822,350	856,614	743,300	743,300	733,400	582,958	585,988	372,208	2,500
Sentinel Trust Co.	-	29,400	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	-
SG Private Banking (Belgium)	-	-	-	-	-	-	-	-	-	-	51,380
Shaker Investments LLC	-	-	-	-	-	-	230,900	299,800	247,400	-	30,000
Shields & Co.	387,550	387,550	483,050	-	-	-	-	-	-	-	-
Shultz, Rose & Co. LLC	45,000	45,000	45,000	45,000	45,000	-	-	-	-	-	-
Simmons First Trust Co.	20,124	30,589	22,589	19,089	-	-	-	-	2,425	-	-
Sinopia Asset Management SA	-	-	-	-	-	-	-	-	-	-	-
Sit Investment Associates, Inc.	-	-	346,800	664,000	661,300	661,500	704,300	-	-	43,100	43,100
SLS Capital	-	-	-	-	-	-	-	-	-	-	-
SMH Capital Advisors, Inc.	-	-	-	-	-	-	-	-	-	-	143,088
Smith Breeden Associates, Inc.	-	-	-	-	-	-	53,950	45,700	46,700	43,200	-
SMP Ltd. (Scotia Capital)	-	-	-	-	3,600	3,600	-	-	-	-	26,000
Sonse Fund Management LLC	-	-	-	-	-	-	-	-	-	-	20,324
Sparinvest Asset Management A/S	-	-	-	-	-	150,200	295,903	294,603	175,556	122,556	-
Spectrum Advisory Services, Inc.	-	-	26,800	25,800	25,800	25,800	25,800	25,800	11,200	11,200	709
SSI Investment Management, Inc.	50,720	55,745	65,765	60,085	67,260	41,870	39,600	68,445	32,712	-	11,200
St. Johns Investment Management Co.	-	-	-	-	-	-	-	-	-	-	-
St. Paul Fire & Marine Insurance Co.	2,100	-	-	224,540	274,540	124,540	-	-	-	-	89,405
Stacey Braun Associates, Inc.	31,200	38,526	18,600	19,600	19,600	19,600	19,400	13,300	13,300	12,800	-
Stafford Capital Management LLC	-	-	15,700	15,700	15,700	15,700	15,700	15,700	-	-	-
Standard Pacific Capital LLC	-	-	-	166,000	-	-	-	-	-	-	-
Starbuck Tisdale & Associates	5,350	5,300	-	-	-	-	-	-	-	-	-
State Bank & Trust, Trust Management Division	-	-	-	-	-	-	-	-	-	-	-
State of Wisconsin Investment Board	1,280,000	1,160,000	580,000	-	-	14,230	28,000	37,300	74,100	74,100	154,100
State Street Global Advisors	10,955,210	11,482,382	12,220,221	12,091,028	10,794,294	10,961,592	12,675,085	12,828,275	12,742,750	14,226,848	17,332,253
State Street Global Advisors (France) SA	-	-	-	-	-	-	-	-	-	-	65,164

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Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
State Street Global Advisors Canada Ltd.	-	-	-	-	-	-	-	-	4,142	4,142	3,942
State Street Global Advisors Ltd. (UK)	-	-	-	-	-	-	-	-	-	-	44,344
State Teachers Retirement System of Ohio	654,748	649,848	937,048	879,348	881,848	853,348	923,348	1,008,873	971,073	1,071,973	858,086
Steelhead Partners LLC	-	-	-	-	-	-	60,000	-	-	-	-
Steinberg Global Asset Management Ltd.	6,850	6,750	7,500	7,500	7,451	6,850	6,850	6,100	-	-	-
Stephens Inc. (AR)	13,200	-	-	-	-	-	-	-	-	-	-
Sterne Agee Asset Management, Inc.	-	-	-	3,805	5,800	5,648	9,870	5,565	-	-	-
Stevenson Capital Management, Inc.	17,800	12,800	28,300	27,800	25,300	28,300	25,300	28,300	23,300	23,300	30,300
Steward Capital Management, Inc.	10,800	10,500	10,800	-	-	-	-	-	-	-	-
Stewart Capital Advisors LLC	378	378	378	378	975	778	2,675	2,675	2,675	2,675	2,675
Stichting Pensioenfonds ABP	-	-	-	-	-	-	-	58,550	54,777	108,005	138,477
Stock Yards Bank & Trust Co.	5,065	-	-	-	-	-	-	-	-	-	-
Storebrand Kapitalforvaltning ASA	-	-	-	-	-	-	-	-	1,097	1,097	-
Sturdivant & Co., Inc.	-	-	-	-	-	-	-	-	-	-	-
Sumitomo Life Insurance Co. (Investment Manage	305,155	158,885	90,470	91,048	66,100	54,500	54,650	54,650	54,650	31,750	43,988
Summit Capital Management LLC	1,400	1,400	1,400	1,400	1,400	-	-	-	-	-	-
Summit Investment Partners, Inc.	-	-	-	28,300	-	-	-	-	-	-	-
SunAmerica Asset Management Corp.	10,000	10,500	10,300	11,100	10,908	10,903	10,778	10,956	10,912	10,407	10,407
Susquehanna Trust & Investment Co.	148,550	210,195	220,348	1,587,405	1,473,339	1,940,207	91,080	8,480	8,480	10,550	4,425
Swedbank Robur Fonder AB	-	-	-	-	-	-	-	-	11,780	-	-
Swiss Re Asset Management (Americas), Inc.	-	60,000	-	-	-	-	-	-	862,200	1,248,968	7,100
Swisscanto Asset Management AG	-	-	-	-	8,000	-	-	-	-	-	-
Synchrony Asset Management SA	-	-	-	-	-	14,500	14,500	44,500	44,500	185,000	185,000
Synovus Investment Advisors, Inc.	49,202	9,327	10,382	8,682	8,778	13,111	1,000	1,000	2,800	2,800	2,800
Systematic Financial Management LP	161,474	157,588	108,626	69,877	64,038	63,248	6,778	6,776	6,778	-	16,278
T. Leavell & Associates, Inc.	21,680	21,400	21,700	17,900	25,700	17,700	59,940	59,149	58,329	57,355	-
T. Rowe Price Associates, Inc.	3,627,883	4,238,453	2,577,653	865,405	883,308	891,650	12,100	11,900	11,900	12,200	10,300
TCW Asset Management Co.	528,938	628,883	1,148,725	1,028,995	1,727,881	607,943	878,455	859,055	887,105	857,946	784,796
TD Asset Management, Inc.	-	-	131,497	130,870	137,968	135,813	-	-	-	-	-
TD Banknorth Wealth Management Group	25,753	48,818	52,923	52,123	56,883	80,276	219,640	174,297	40,089	42,389	147,888
Teacher Retirement System of Texas	1,451,300	1,580,000	1,540,000	1,125,000	1,435,000	1,293,000	34,083	30,135	38,735	39,832	20,657
Teleos Management LLC	-	100,000	-	-	-	-	1,048,000	1,128,000	1,218,000	1,328,000	1,248,000
Terre Haute First National Bank	5,630	5,630	6,830	6,630	7,930	6,830	6,030	10,630	13,155	15,005	14,080
Terry McCaniel & Co.	4,944	4,944	-	-	-	-	-	-	-	-	-
Thales Fund Management LLC	-	-	33,500	89,800	103,700	64,400	274,500	136,100	136,100	136,100	274,500
The Adams Express Co.	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-	-	-
The Boudoir Group LLC	-	-	-	-	-	-	-	-	-	-	589,500
The Boston Company Asset Management LLC	300,000	300,000	300,000	788,650	1,892,083	1,952,500	2,341,355	1,977,833	1,927,530	995,299	23,600
The Bryn Mawr Trust Co.	22,084	17,884	17,884	17,884	17,317	16,954	18,734	18,234	11,734	9,334	-
The Burney Co.	8,424	8,424	8,424	8,424	5,810	5,810	5,660	5,560	5,661	-	-
The California Public Employees Retirement Syst	1,960,830	2,037,820	1,984,524	2,026,089	1,898,849	1,928,848	1,823,840	1,825,849	1,745,449	1,789,349	1,787,949
The Edgar Lomax Co., Inc.	-	-	-	-	-	-	-	-	-	-	3,108,800
The First National Bank of Omaha (FNB Fund Adv	549,283	526,304	469,229	381,755	356,055	293,226	261,726	218,278	160,645	58,247	1,240
The Florida State Board of Administration	840,688	803,083	813,883	807,983	807,983	799,513	797,913	827,413	827,413	826,113	1,017,813
The Keller Group Investment Management, Inc.	145,525	178,559	251,819	274,109	299,181	328,960	326,288	370,643	390,504	321,248	-
The Mechanics Bank Asset Management	7,830	8,180	5,180	4,785	4,785	4,785	4,785	4,785	4,785	4,630	4,055
The Mitchell Group, Inc.	108,800	107,900	10,400	10,400	10,400	79,400	73,400	200	-	-	113,800
The Pennsylvania Trust Co.	133,020	128,416	80,935	80,935	64,870	64,870	17,070	12,710	12,660	11,160	-
The Philadelphia Trust Co.	-	-	3,200	-	26,950	28,550	40,900	58,550	-	-	26,000
The Portola Group, Inc.	505,858	559,659	583,159	774,309	859,264	854,865	880,332	498,387	518,812	383,237	385,703
The Swarthmore Group, Inc.	236,850	162,900	160,800	119,600	89,750	95,650	203,430	193,880	193,880	-	-
The Trust Co. of Oklahoma	7,000	7,143	7,600	6,400	8,000	10,000	10,000	11,200	11,200	11,400	-
The Trust Co. of Toledo	30,800	34,100	34,100	34,000	23,000	23,000	23,700	20,900	20,900	23,400	1,500
The Washington Trust Co.	-	-	-	-	4,418	4,666	-	-	-	-	-
Thrivent Investment Management, Inc.	43,700	48,100	103,700	85,200	42,200	42,000	42,000	-	-	-	-
TIAA-CREF Asset Management LLC	2,811,198	2,807,492	2,775,492	3,057,683	3,253,274	2,984,174	3,266,850	3,361,727	3,429,940	3,518,908	3,414,788
TimesSquare Capital Management LLC	208,192	206,582	202,482	202,082	201,282	208,182	188,282	182,582	188,182	182,982	183,082

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USCA5 7029

Exhibit 11

Quarter Ended	6/30/1999	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Tiroinvest KAGmbH	-	-	-	-	-	-	-	-	-	5,000	7,000
Tirschwell & Loewy, Inc.	319,334	316,569	331,459	312,969	305,689	304,669	305,089	308,129	308,359	329,374	358,939
TNB Financial Services, Inc.	-	-	21,400	22,400	-	-	-	-	-	-	-
Tobias Bros., Inc.	50,000	150,000	50,000	50,000	-	-	-	-	-	-	-
Tocqueville Asset Management LP	184,900	180,700	84,100	-	-	-	-	-	-	-	-
Todd Investment Advisors, Inc.	-	9,500	8,500	9,500	7,300	7,300	7,300	7,100	7,100	-	-
Tompkins County Trust Co.	8,233	11,535	18,135	19,533	10,493	4,550	3,350	900	700	700	100
Tower Asset Management LLC	39,128	43,979	46,616	-	-	-	-	-	300	-	-
Tower Bank & Trust Co.	-	-	-	-	-	-	109	-	-	-	-
Tradition Capital Management LLC	-	-	-	-	-	-	-	-	-	100	-
Trainer Wortham & Co., Inc.	12,099	11,432	11,432	12,932	12,232	11,532	11,532	11,532	11,532	10,332	-
Transamerica Investment Management LLC	-	-	-	13,423	13,577	14,557	13,457	13,457	13,457	13,457	19,222
Trees Investment Counsel LLC	-	-	-	20,400	20,400	20,400	20,400	19,066	19,066	19,066	12,066
Trellus Management Co. LLC	-	-	-	-	-	-	-	-	-	80,000	-
Tributary Capital Management LLC	-	-	-	-	-	-	-	-	-	1,650	1,650
Trusco Capital Management, Inc.	1,807,972	1,816,229	1,296,015	1,942,413	2,209,075	2,700	2,700	2,900	2,900	3,155,101	1,267,817
Trust Co. of Connecticut	-	5,350	5,350	5,350	8,100	2,914,088	2,434,788	2,804,015	2,900,758	-	-
Trust Company of Vermont	-	-	-	-	-	5,400	-	5,450	-	-	4,259
Trustmark Investment Advisors	10,750	10,750	10,750	10,700	10,700	-	-	-	-	-	-
Turner Investment Partners, Inc.	-	-	-	-	650	10,700	10,194	8,828	8,828	11,350	13,500
Twin Capital Management, Inc.	-	-	-	-	25,600	-	-	-	-	-	-
U. S. Global Investors, Inc.	-	-	-	-	10,000	-	-	-	-	51,100	-
UBS Global Asset Management	9,000	10,000	9,000	9,000	1,391,700	8,000	10,000	10,000	3,000	-	-
UBS Global Asset Management (UK) Ltd.	810,813	845,800	724,200	1,348,900	49,204	1,470,700	2,041,800	2,148,100	2,447,500	2,716,000	18,500
UBS O'Conner LLC	-	-	47,104	41,504	-	49,204	48,104	48,484	85,584	81,780	78,196
UBS Private Banking (US)	-	-	-	-	-	-	33,700	78,800	13,300	-	-
UBS Securities LLC	-	-	-	-	-	-	-	-	-	16,885	-
UMB Bank	-	-	-	272,349	312,748	311,132	184,569	661,648	634,931	656,913	1,318,648
Union Bank of California N.A.	588,469	573,144	586,513	583,158	564,789	560,629	579,659	305,845	322,634	338,335	161,465
Union Investment Privatfonds GmbH	1,114,609	1,099,447	1,054,887	848,082	829,760	960,650	792,418	742,373	782,844	717,398	698,631
United Bank & Trust (Michigan)	-	-	-	-	-	-	-	-	-	141,900	141,900
United States Trust Co. of New York	-	-	27,010	28,145	28,405	28,375	32,300	32,480	36,080	38,890	39,140
Universal-Investment-GmbH	674,387	678,048	714,208	685,639	604,252	502,669	616,415	616,583	611,459	603,433	394,158
Uniquio Gestion SGIIC	-	-	-	-	-	-	-	-	9,050	9,050	22,668
USAA Investment Management Corp.	-	-	-	-	-	-	-	-	-	-	9,577
Value Line Asset Management	-	-	-	-	-	-	-	-	-	-	46,676
Van Eck Global	278,884	237,600	238,000	348,752	841,800	517,900	380,627	258,231	106,732	97,841	100,000
Van Kampen Asset Management	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	112,000	100,000	-
Vanguard Group, Inc.	40,000	60,000	-	-	-	-	2,900	2,900	2,900	-	152,514
Vaughan Nelson Investment Management LP	714,883	1,321,075	746,768	1,647,788	1,476,171	2,062,248	3,250,991	6,092,014	6,897,525	14,941,908	6,613,520
Veritas SG Investment Trust GmbH	5,900,920	6,091,273	6,129,978	6,155,448	6,217,656	6,258,117	6,344,737	6,460,388	6,891,808	6,766,565	-
Verizon Pension Fund	-	-	-	-	-	-	-	-	34,900	-	5,000
Victory Capital Management, Inc.	-	-	-	-	-	-	-	5,000	5,000	5,000	234,748
Virginia Retirement Systems	33,480	30,928	67,910	71,899	65,816	80,767	88,160	238,824	239,624	332,124	270,478
Volksbanken Invest KAG	454,503	630,661	1,127,783	603,590	563,385	538,932	561,691	959,843	978,480	1,071,256	226,532
W. H. Reaves & Co., Inc.	190,252	177,852	186,392	181,252	123,852	124,152	132,152	133,552	132,552	162,752	17,400
Waddell & Reed Investment Management Co.	-	-	-	-	-	-	-	-	-	-	-
Wagner Investment Management, Inc.	-	114,400	316,100	482,150	603,220	683,170	40,920	38,048	12,320	17,520	-
Wall Street Associates (US)	-	-	-	-	-	-	-	-	-	254,285	-
Walnut Asset Management LLC	203,200	928,200	221,400	21,850	15,415	280,185	10,156	-	-	-	-
Washington Capital Management, Inc.	-	-	300	300	300	300	300	300	300	-	-
Washington Trust Bank	-	8,000	-	-	10,000	10,000	-	-	-	-	-
Waters Parturson & Co., Inc.	-	-	-	-	-	-	-	60,920	60,360	-	-
WB Capital Management, Inc.	-	-	44,725	-	-	-	-	-	-	-	-
WCM Investment Management	-	-	-	6,445	9,765	7,400	6,770	9,288	15,346	18,318	17,078
Webster Financial Advisors	-	-	-	-	-	-	103,756	106,080	109,020	136,695	103,700
Wedgewood Investors, Inc.	-	-	-	-	-	-	-	-	-	-	-
	41,363	31,878	53,353	53,415	258,403	258,403	115	-	-	-	-
	-	-	-	-	-	-	-	300	-	-	-
	-	-	5,900	5,900	5,900	5,900	5,900	5,900	5,900	18,379	18,121
	-	-	-	-	-	5,200	-	-	-	-	-

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Exhibit 11

Quarter Ended	9/30/1998	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Weintraub Capital Management LLC	-	-	-	-	70,000	-	-	-	-	-	-
Weisberg & Fields, Inc.	21,400	21,400	21,150	19,150	18,850	18,850	18,850	19,750	17,950	17,950	19,000
Welch & Forbes LLC	14,780	21,320	17,553	17,220	18,220	21,328	18,888	19,168	19,158	19,893	19,083
Wellington Management Co. LLP	3,881,900	3,751,300	4,799,200	4,847,900	4,893,500	3,500,300	3,371,900	3,437,000	3,302,300	34,600	19,977,392
Wells Capital Management, Inc.	-	52,605	68,235	171,535	82,360	181,475	88,700	288,308	340,975	330,207	107,847
Wells Fargo Bank N.A.	145,535	182,076	184,574	337,302	883,109	826,838	477,173	578,180	886,433	403,485	388,111
Wells Fargo Investments LLC	-	-	11,685	10,785	-	-	-	-	17,017	24,311	59,486
WesBanco Bank Wheeling	19,445	20,390	20,390	20,390	20,245	20,348	20,300	22,824	22,824	22,474	20,840
Westfield Capital Management Co. LLC	30,099	30,088	138,588	438,188	418,349	418,799	8,900	5,800	3,600	-	1,200
Westpeak Global Advisors LP	17,800	18,800	30,900	39,800	24,900	19,800	20,000	20,600	-	210,180	181,700
William Blair Capital Management LLC	28,982	38,708	30,493	9,807	8,857	9,107	8,472	8,757	11,897	10,882	-
Williams, Jones & Associates, Inc.	-	8,300	9,300	9,300	8,392	8,400	-	-	-	-	27,400
Wilmington Trust FSB	18,476	17,476	21,607	23,103	27,248	27,611	30,258	32,727	32,132	44,160	12,273
Wilmington Trust Investment Management LLC	1,247,807	1,187,130	1,097,083	1,077,787	1,079,167	1,083,730	1,059,682	1,094,727	1,061,393	1,078,801	287,941
Wilmington Trust of Pennsylvania	30,064	32,864	35,074	31,628	34,310	34,810	36,705	39,705	41,325	47,380	50,325
Wilson/Bennett Capital Management, Inc.	783	783	783	813	813	813	813	813	813	279	279
Winslow Capital Management, Inc.	-	-	-	230,000	96,280	95,460	-	-	-	-	-
WP Asset Management Oy	-	-	-	-	-	-	-	-	-	2,000	2,000
Wisconsin Capital Management LLC	-	-	-	44,900	72,280	90,250	153,050	158,150	183,780	235,401	-
Woodley Farra Manion Portfolio Management, Inc.	-	-	-	-	-	-	-	-	-	-	180
Woodmont Investment Counsel LLC	-	-	-	-	-	-	89,685	88,191	86,991	86,991	70,010
Woodstock Corp.	4,600	4,600	4,600	4,600	4,600	9,600	2,000	2,675	2,000	-	-
Wright Investors Service, Inc.	142,106	169,065	160,805	40,458	22,705	18,880	-	-	-	-	-
Wyser Capital Management	-	-	-	-	-	-	-	240,000	-	-	-
Zions First National Bank	-	-	-	11,825	-	-	-	-	9,140	-	-
Zuercher Kantonalbank (Int Mgmt	-	-	-	-	-	29,000	29,000	79,000	79,000	79,000	79,000

USCA5 7011

Exhibit 12

Exhibit 12

Halliburton Co. (HAL)

Institutional Increases in Reported Holdings

Source: FactSet Research Systems, Halliburton's SEC Filings

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Total Increases From Prior Quarter	20,488,710	30,884,252	41,972,638	35,637,004	31,901,949	53,621,186	34,059,498	28,142,181	40,898,129	92,326,942
(Amounts Shown are Increases Only)										
Count of Institutions with Increases	193	224	220	201	217	227	215	242	212	208
1st Source Corp. Investment Advisors, Inc.	800	-	-	-	200	-	-	-	-	79,800
3 Banken-Generali Investment GmbH	-	-	-	-	-	-	-	-	600	-
A.G. Edwards & Sons, Inc.	148	1,350	848	-	2,377	535	1,648	1,051	1,209	4,809
Aberdeen Asset Managers Ltd.	-	-	-	-	-	-	8,000	-	-	-
ABN AMRO Asset Management (Amsterdam)	-	-	-	-	-	6,931	-	2,069	-	10,700
ABN AMRO Bank NV (Belgium)	-	-	-	-	-	-	-	1,200	-	-
Acadia Trust, N.A.	315	12,149	-	-	-	-	-	-	-	-
Adage Capital Advisors LLC	-	-	-	-	-	-	-	-	-	222,986
Advanced Investment Partners LLC	-	-	-	-	-	-	-	-	262,500	-
Adventus Capital Management, Inc.	100	-	-	78,436	80,865	-	-	-	944	935
Affinity Wealth Management, Inc.	-	-	-	-	-	-	-	-	-	-
AG Asset Management LLC	402,750	-	65,525	-	7,175	-	-	-	-	-
AGF Funds, Inc.	-	-	-	-	-	-	-	32,900	-	-
AGF International Advisors Co. Ltd.	-	-	-	-	-	-	-	12,436	-	352
AIB Investment Managers Ltd.	2,382	62,038	48,850	10,569	9,225	17,970	-	-	-	-
AIG Global Investment Group	-	-	-	-	-	-	-	-	-	238,793
AIG Private Bank Ltd.	-	-	-	4,000	-	-	-	-	-	-
Alerus Financial, N.A.	-	-	19,986	4,788	1,521	-	2,635	-	-	23,650
Aletti Gestielle SGR SpA	-	-	-	-	-	100,856	-	-	-	-
Alex Brown Investment Management LLC	-	-	-	-	-	-	-	-	400,000	-
Allegiant Asset Management Co.	-	-	234,236	56,712	-	-	-	-	-	-
AllianceBernstein LP	-	-	1,335,654	-	-	-	-	-	-	119,299
Allianz Global Investors Kapitalanlagegesellschaft	-	289,000	-	-	51,680	-	-	-	40,892	-
Allianz of America, Inc.	-	-	-	748,850	-	-	-	-	-	-
Allied Asset Advisors, Inc.	-	-	-	-	-	1,800	-	-	-	-
Allstate Investment Management Co.	-	-	10,800	33,000	-	-	7,300	-	-	-
Alte Leipziger Trust Investment GmbH	-	-	-	-	-	-	-	-	-	1,000
American Century Investment Management, Inc.	372,300	-	1,257,000	400	-	-	98	-	-	308,250
AmeriCap Advisers LLC	-	-	99,000	1,000	9,000	-	85,200	-	265,800	-
AMF Pensionsforsakring AB	-	-	-	-	-	-	-	280,000	-	-
Amica Mutual Insurance Co., Inc.	-	-	-	-	-	-	-	17,725	11,350	-
Analytic Investors, Inc.	-	-	-	-	-	-	-	-	146,021	5,934
Aon Advisors, Inc.	-	-	-	-	-	3,800	-	-	-	-
Appleton Partners, Inc.	-	25,350	13,900	-	1,075	900	3,200	-	-	79,813
AR Asset Management, Inc.	-	-	12,200	-	100	-	-	-	-	-
Archie Grey Allen, Jr.	-	800	-	-	-	-	-	-	-	-
Ardsley Partners	-	-	-	-	-	-	-	-	-	750,000
Ark Asset Management Co., Inc.	-	12,800	558,500	-	-	884,700	-	-	6,300	-
Armstrong Shaw Associates, Inc.	-	37,500	587,520	210,660	-	39,900	-	-	-	-
Aronson & Johnson & Ortiz LP	-	-	-	-	-	-	-	-	114,500	100,100
Artisan Partners LP	-	-	-	-	-	-	-	-	-	53,200
Ashburton (Jersey) Ltd.	-	-	-	-	-	-	-	32,800	-	-
Ashfield Capital Partners LLC	6,531	9,876	10,034	27,283	12,090	-	32,731	899	-	-
Atlantic Investment Management, Inc.	-	-	-	-	-	-	-	-	-	440,000
Atlantic Trust Stein Roe	-	-	1,100	-	-	-	140,015	-	-	-

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Atwood & Palmer, Inc.	-	-	-	-	-	-	-	-	-	-
Aviva Gestion d'Actifs SA	-	-	-	-	-	-	-	60,000	-	-
Aviva Vida y Pensiones SA de Seguros y Reaseg	-	-	-	-	-	-	-	-	60,000	-
AXA Framlington Investment Management Ltd.	-	-	-	-	-	-	-	7,000	-	-
AXA Investment Managers Paris SA	2,800	-	4,680	-	1,200	-	-	-	13,207	10,250
AXA Rosenberg Investment Management LLC	3,900	-	-	-	-	-	100	-	-	700
Ayco Asset Management	8,327	23,322	11,635	43,291	48,600	97,750	34,117	74,488	58,536	-
Azzad Asset Management, Inc.	-	-	-	-	-	300	-	-	-	-
Babson Capital Management LLC	650	-	-	-	-	-	21,315	-	2,985	-
Balnco International Investors LLC	-	-	-	-	-	-	-	-	-	-
Baird Investment Management	948	1,391	15,995	-	-	3,156	-	-	-	35,718
Baker Boyer National Bank Asset Management	100	-	-	21,625	4,125	-	-	-	-	-
Baldwin Brothers, Inc.	9,838	3,200	-	-	-	-	-	-	-	-
Banca del Gotterdo (Switzerland)	-	-	-	-	18,000	-	-	-	80,000	-
Banca Finnat Euramerica SpA (Asset Managemer	-	-	-	-	-	-	-	-	-	500
BancorpSouth, Inc. Asset Management	-	-	-	-	-	-	800	-	-	-
Bank Julius Baer & Co. AG	-	-	-	-	-	-	-	-	-	30,000
Bank Morgan Stanley AG	-	12,250	-	6,910	26,390	32,473	-	7,166	17,892	-
Bank of Hawaii Asset Management Group	4,234	-	-	-	-	-	-	-	-	-
Bank of New York Co. NA (MA)	-	-	600	-	-	300	-	-	900	-
Bank of New York Trust Co. N.A.	1,175	3,333	-	3,580	380	-	-	-	-	-
Bank of the West Investment & Trust Department	-	-	-	-	4,150	-	-	-	-	-
Bankhaus Carl Spaengler & Co (Asset Managem	-	-	-	-	-	-	2,600	-	8,300	-
Banque Degroof SA	-	-	-	-	-	8,000	-	800	-	-
Barclays Fondos SA SGIIC	-	-	-	-	-	-	-	-	-	12,159
Barclays Global Investors NA (CA)	-	-	1,429,770	-	132,626	372,677	-	-	66,037	1,485,460
Baring Asset Management, Inc.	-	-	-	15,200	800	-	-	-	-	-
Barrett Associates, Inc.	10,600	26,900	46,770	23,650	7,100	-	-	7,750	-	-
Barrow, Hanley, Mewhinney & Strauss, Inc.	-	-	-	-	-	2,683,200	-	389,900	-	-
Bartlett & Co., Inc.	-	15,199	-	-	-	-	-	-	-	-
Batterymarch Financial Management, Inc.	-	-	-	-	-	-	-	-	-	-
BB&T Asset Management LLC	-	-	7,140	200	-	11,538	1,343	7,032	-	1,230
BBVA Gestion SGIIC SA	-	-	-	-	45,179	-	54,569	-	-	-
BBVA Patrimonios	-	-	-	-	-	-	-	-	-	38,583
Beacon Trust Co.	-	-	127,249	13,200	1,915	21,818	-	34,045	-	-
Bear Stearns Asset Management, Inc.	-	-	309,000	58,200	57,300	166,700	60,000	-	-	-
Bear, Stearns & Co., Inc.	-	11,882	343,181	44,557	-	-	-	-	300	74,622
Bearbull Asset Management Ltd.	-	-	-	-	-	20,000	-	-	-	-
Beaty, Haynes & Patterson, Inc.	-	-	25,980	-	450	-	-	-	-	-
Becker Capital Management, Inc.	-	-	5,998	-	-	-	-	5,400	14,101	121,777
Bel Air Investment Advisors LLC	-	-	-	379,400	11,680	-	-	-	-	-
Berkeley Capital Management LLC	-	-	-	-	-	55	-	-	-	-
Bessemer Investment Management LLC	-	-	304	300	1,470	7,940	-	2,111	33,638	-
Beutel Goodman Investment Counsel	-	-	6,386	-	-	-	-	-	-	-
Biplemme Gestioni SGR SpA	-	-	-	-	-	236,002	-	-	-	-
Birinyi Associates, Inc.	-	-	125	-	-	7,000	-	-	-	-
Bishop Street Capital Management, Inc.	-	24,350	-	-	-	-	-	800	-	-
Bjurman, Barry & Associates	138,860	-	2,875	-	-	500	500	20	6,300	5,555
BlackRock Advisors, Inc.	-	-	-	-	-	-	-	307,900	116,300	-
Blackrock Investment Management (UK) Ltd.	-	597,327	346,085	674,867	890,387	492,621	-	72,373	-	-
BlackRock Japan Co. Ltd.	-	593,660	26,390	-	-	106,750	-	27,390	-	-
BMO Capital Markets (CA)	-	500	58,815	-	6,211	-	6,238	1,278	699	-
BNP Paribas Arbitrage SNC	-	-	-	-	-	-	-	-	-	18,437

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
BNP Paribas Asset Management (France)	-	-	-	488,518	138,720	31,510	27,660	-	28,440	-
BNY Investment Advisors	1,184	-	-	-	4,772	18,906	-	-	-	-
Bonnasa Enterprises, Inc.	-	32,500	-	-	-	-	-	-	-	-
Boone County National Bank	-	3,075	-	-	-	-	-	-	-	-
Boston Advisors, Inc.	-	-	-	-	-	-	-	-	-	-
Boston Private Value Investors, Inc.	-	-	-	-	-	-	-	-	-	-
Boston Trust & Investment Management, Inc.	-	-	-	-	-	-	269,965	11,960	-	-
Bowman Financial Management	-	-	500	-	-	254	-	-	-	-
Boys, Arnold & Co., Inc.	-	-	-	-	-	-	10	280	3,900	-
BP Investment Management Ltd.	35,000	20,000	-	-	5,800	82	-	-	-	-
Brandywine Global Investment Management LLC	-	-	-	-	-	-	-	-	-	-
Bremer Investment Advisory Services	5,680	-	-	-	-	-	-	-	-	50
Bridges Investment Counsel, Inc.	-	-	200	-	-	-	-	-	-	-
Bridgeway Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-
Brown Brothers Harriman & Co.	-	-	-	-	-	-	-	-	-	325,000
Brown Investment Advisory, Inc.	-	117,478	24,070	-	28,950	36,275	-	-	-	-
BSI Service Holding SA	-	-	-	-	-	-	-	26,283	-	-
BTR Capital Management, Inc.	-	-	-	-	-	-	3,000	-	-	-
Burke, Lawton, Brewer & Burke Investment Mana	-	-	-	6,850	1,290	50	-	17,080	15,000	-
Burroughs Hutchinson, Inc.	-	-	-	-	-	-	-	-	-	13,885
C. S. McKee LP	-	-	-	-	-	-	-	-	600	-
CAAM SGR SpA	-	-	-	-	-	-	-	-	-	-
Cadence Capital Management LLC	-	-	-	-	-	18,000	-	-	-	42,000
California State Teachers Retirement System	-	176,598	-	-	-	-	285,700	339,233	-	-
Cambiar Investors, Inc.	-	-	-	132,000	-	63,747	31,100	-	107,389	-
Cambridge Investments Ltd.	-	-	-	316,100	-	-	-	-	-	-
Canandaigua National Bank & Trust Co.	-	1,600	-	-	-	-	-	-	-	-
Centaboria Fondos	-	-	-	-	-	-	6,400	2,100	-	-
Cape Ann Savings Bank	-	-	-	-	-	-	-	-	-	1,155
Capital Advisors, Inc. (OK)	-	-	-	-	-	-	-	600	-	-
Capital City Trust Co.	-	5,850	-	-	825	-	-	-	-	-
Capital Growth Management LP	2,944,000	-	-	4,678,000	-	-	-	-	200	-
Capital Guardian Trust Co.	-	-	8,200	-	-	-	-	-	-	-
Capital Management Associates, Inc. (FL)	-	-	-	1,420	-	-	-	1,025	-	-
Capital One Asset Management LLC	12,205	-	-	-	-	500	875	955	16	4,480
Capital Research & Management Co.	-	-	-	-	-	4,000,000	390,000	150,000	4,000,000	-
Capitalia Asset Management SGR SpA	-	-	-	-	-	-	-	-	-	4,800
Capstone Asset Management Co., Inc.	940	395	1,960	-	789	2,930	460	-	-	520
Carlson Capital LP	-	-	206,500	-	-	-	-	-	-	-
Carret Asset Management LLC	83,700	34,807	-	1,850	4,300	118,037	-	3,600	7,231	-
CastleArk Management LLC/C2 Asset Managems	-	-	-	215,000	-	-	-	-	-	-
Catawba Capital Management, Inc.	-	2,600	350	-	-	80	-	1,400	2,800	-
Caxton Associates LLC	407,200	-	179,800	-	-	-	-	-	-	2,598,800
CCM Partners LP	-	5,048	448	-	-	-	-	-	-	-
CedarPoint Capital Management, Inc.	-	-	-	-	105,000	-	-	-	-	-
Central Trust Bank (MO)	-	-	2,808	-	-	-	-	200	100	-
Charles Schwab Investment Management, Inc.	30,800	10,100	-	11,614	6,695	10,100	1,700	3,120	-	4,900
Charles Stewart Mott Foundation	-	75,000	-	-	-	-	-	-	5,000	-
Charter Trust Co.	-	-	-	-	-	-	5,718	1,000	-	-
Chartwell Investment Partners	-	13,930	-	-	-	1,423,870	-	-	40,000	30,000
Chemical Bank & Trust Co.	-	-	-	-	1,000	-	-	-	-	-
Chesapeake Asset Management LLC	-	14,400	-	-	-	13,850	-	-	78,000	-
Chevy Chase Bank FSB	-	-	-	-	-	-	-	-	139,454	2,285

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Chicago Asset Management Co.	-	-	-	-	-	-	-	-	-	-
Chicago Equity Partners LLC	-	-	-	-	-	-	-	-	514,700	-
Chittenden Trust Co.	897	8,811	9,842	12,362	3,879	9,884	7,880	5,638	13,997	-
Choate Investment Advisors LLC	-	-	-	-	-	-	-	8,950	-	-
Choice Investment Management LLC	-	-	-	-	-	-	-	13,200	-	-
Chubb Asset Managers, Inc.	-	-	87,800	-	-	-	-	-	-	-
Church Capital Management, Inc.	-	-	-	-	-	29,990	775	23,350	24,085	5,000
CIBC World Markets Corp.	-	-	21,738	-	9,056	-	7,268	19,849	21,667	-
Citadel Investment Group LLC	-	-	61,000	-	20,000	-	52,646	-	9,122	97,739
Citigroup Investment Research	94,176	3,130,119	1,437,298	-	-	1,867,233	792,703	-	-	-
Citizens Investment Advisors	-	-	-	-	-	-	-	-	-	-
City National Asset Management	-	-	-	11,100	-	-	-	-	-	-
Clariden Leu AG	-	-	-	-	-	-	6,500	-	-	-
Cobblestone Capital Advisors LLC	-	-	6,347	-	-	-	-	-	-	-
Colorado Public Employees' Retirement Associati	-	-	-	-	-	-	-	-	-	-
Columbia Management Advisors, Inc.	-	411,098	-	75,061	-	-	-	18,711	77,686	-
Columbia Partners LLC Investment Management	-	-	-	-	-	-	-	-	-	-
Columbus Circle Investors	-	-	-	-	-	-	-	470,800	-	-
Comerica Asset Management	2,729	-	3,171	8,188	20	-	-	-	-	-
Cominvest Asset Management GmbH	-	-	-	-	-	-	-	25,000	-	60,200
Commerce Bank, N.A. (KS)	-	-	-	-	1,800	7,100	16,335	3,520	-	-
Commerce Bank, N.A. (St. Louis, MO)	-	-	100	249,094	282,166	103,825	9,835	173,660	-	-
Community Trust & Investment Co.	-	-	-	4,662	-	-	-	-	-	-
Compass Bank	11,041	75,168	-	-	-	-	-	-	-	-
Conning Asset Management Co.	800	752	4,400	-	-	1,391	-	1,100	-	-
Courier Capital Corp.	-	-	-	-	-	52,851	-	-	-	-
Cowen & Co.	-	-	-	3,850	-	-	3,000	-	-	-
Cramer Rosenthal McGlynn LLC	-	17,700	-	-	-	-	-	-	-	-
Crawford Investment Counsel, Inc.	16,400	-	-	-	-	13	-	-	-	-
Credit Suisse (Switzerland)	-	-	-	-	10,000	-	9,668	-	1,559	4,681
Credit Suisse (US)	-	-	92,684	78,378	60,407	282,071	-	-	170,604	4,788
Credit Suisse Asset Management (UK) Ltd.	-	-	-	-	-	-	-	40,000	-	-
Credit Suisse Asset Management, Inc. (NY)	597,425	-	-	295,525	426,640	-	-	3,289	-	-
Crossinvest SA	-	-	-	-	-	-	-	30,000	-	-
Cutler Investment Counsel LLC	-	-	-	-	-	-	-	-	-	-
D. A. Davidson & Co., Inc.	-	-	-	-	-	-	-	-	60,150	-
D. E. Shaw & Co., Inc.	-	-	-	-	-	52,500	16,900	-	288,900	196,700
D. L. Carlson Investment Group, Inc.	100	1,666	-	300	-	-	-	-	-	-
D.F. Dent & Co., Inc.	-	-	-	4,400	-	-	-	-	-	-
Dane, Falb, Stone & Co., Inc.	-	-	-	4,600	-	-	-	-	-	-
Danske Capital Danmark	-	-	-	-	-	-	-	-	-	3,900
Danske Capital Finland Ltd.	-	-	-	-	-	3,750	-	300	-	-
Davenport & Co. LLC	77	7,888	338	-	-	9,253	-	-	-	-
David Vaughan Investments, Inc.	900	3,800	-	-	1,700	3,080	335	15	-	-
Davidson & Garrard, Inc.	4,225	33,275	2,800	-	4,080	6,910	525	5,118	4,659	-
Davidson Investment Advisors	188,210	40	2,185	-	-	-	63,155	14,093	10,650	-
Davis Advisers	-	-	-	-	-	-	-	66,385	-	-
Dawson-Herman Capital Management, Inc.	-	-	-	518,100	41,500	-	244,800	89,400	-	-
Dearden, Maguire, Weaver & Barrett, Inc.	134	3,000	-	-	-	-	-	-	-	-
Deere & Co. Pension Fund	-	-	-	-	-	14,800	-	-	-	-
Deka Investment GmbH	-	-	-	-	181,000	2,579	-	-	-	-
Delaware Investment Advisers	300	25,200	122,526	32,000	458,600	1,310,900	284,500	834,500	211,500	-
Delta Lloyd Asset Management NV	-	-	-	-	-	-	-	249,736	-	-

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Denver Investment Advisors LLC	-	-	-	17,550	32,325	-	18,800	200	-	-
DePrince, Race & Zollo, Inc.	-	-	-	-	-	269,400	63,200	-	-	-
Deutsche Asset Management	-	-	324,798	775,825	253,707	-	-	8,467	-	-
Deutsche Asset Management Investment GmbH (	-	-	-	-	-	-	-	-	-	383,100
Deutsche Bank Investment Management, Inc.	-	-	-	-	671,674	-	498,044	-	-	-
Deutsche Bank Securities, Inc.	528,241	-	224,849	-	164,340	33,778	1,065,151	-	1,881,500	849,910
Dexia Asset Management (Belgium) SA	-	-	-	4,448	13,229	-	2,405	53,152	27,500	-
DG Capital Management, Inc.	-	-	-	-	-	-	-	-	-	200,000
Dimensional Fund Advisors, Inc.	8,500	7,600	5,800	2,800	3,800	1,000	-	1,100	-	1,700
Dixon, Hubard & Feinour, Inc.	-	-	-	-	-	-	-	-	100	-
DLIBJ Asset Management Co. Ltd. (Japan)	175,088	304,155	-	-	-	-	-	1,955	241	-
DLIBJ Asset Management Co. Ltd./DIAM Internati	-	-	-	37,910	-	-	-	1,120	23,100	-
DnB NOR Asset Management	-	-	-	-	-	-	-	-	199,605	11,365
Dodge & Cox, Inc.	-	-	-	3,100	-	-	-	-	-	-
Doheny Asset Management LLC	-	9,671	1,750	-	-	2,500	400	400	-	383,365
Dreman Value Management LLC	-	-	-	-	-	-	-	-	-	-
Dreyfus Investment Advisors, Inc.	-	516,800	251,000	66,177	-	-	410,800	432,800	-	-
Driehaus Capital Management LLC	-	-	-	-	-	-	-	-	-	-
DSI International Management, Inc.	-	19,400	-	-	-	-	-	-	-	-
Duff & Phelps Investment Management Co., Inc.	-	-	-	-	-	9,800	-	10	60	-
Duncker, Streett & Co., Inc.	-	6,050	-	-	-	-	-	-	-	-
DuPont Capital Management	-	-	-	-	-	-	-	-	-	532,900
E. Ohman J:or Fonder AB	-	-	-	-	-	-	-	2,900	-	-
Eads & Heald Investment Counsel, Inc.	-	3,255	2,240	-	-	-	-	260	-	-
Eastern Investment Advisors	-	-	-	-	-	6,850	-	-	-	-
Eastover Capital Management, Inc.	4,365	-	4,675	1,688	5,520	-	4,588	-	107,445	-
Eaton Vance Management, Inc.	500	600,000	394,000	28,359	51,600	133,325	-	404,700	-	-
Edge Asset Management, Inc.	9,800	511,000	-	-	-	132,000	-	-	-	-
Edgewood Management LLC	-	8,650	500	300	400	-	-	-	-	-
EDM Gestion SGIIC	-	-	-	-	-	-	-	-	-	408
Elliott & Associates, Inc.	-	-	-	-	-	-	-	-	-	-
Emerson Investment Management, Inc.	4,200	9,019	8,625	4,730	7,190	-	8,720	11,300	8,168	-
Endex Capital Management LLC	-	3,600	1,100	-	-	9,634	-	-	-	575
Engebretson Capital Management, Inc.	-	31,870	-	-	-	-	-	-	-	-
Engemann Asset Management	-	-	508,000	183,550	-	-	-	-	-	-
Ensemble Capital Management LLC	-	-	63,800	-	-	-	-	-	30,000	70,000
EOS Partners LP Equity Strategies	-	-	-	-	-	-	-	-	-	25,500
Erste Sparinvest - Kapitalanlagen GmbH	-	-	-	21,700	-	-	-	-	-	-
Essex Investment Management Co. LLC	231,800	-	334,615	255,345	-	-	2,760	42,335	-	-
Estabrook Capital Management LLC	25	1,400	1,875	-	840	-	-	-	-	-
Eurizon Capital SA	-	-	-	-	-	-	-	184,600	-	-
Evergreen Investment Management Co., Inc.	57,943	-	151,631	212,444	75,914	-	-	-	447,111	-
Exis Capital Management, Inc.	-	-	-	-	-	-	-	-	-	555,000
ExxonMobil Corp. Pension Trust	-	24,128	-	-	-	-	8,232	-	468	1,578
FAF Advisors	-	884,386	944,212	-	431,022	-	-	-	436,800	-
FBB Capital Partners	-	-	-	8,320	90	-	-	-	-	-
Federated Investment Management Co.	18,600	-	58,400	142,800	-	-	4,300	-	-	-
Feinstein Capital Management	-	150,000	-	-	-	-	-	-	-	-
Fidelity Investments International (UK) Ltd.	-	-	-	207,320	-	76,402	75,900	300,140	985,975	-
Fidelity Investments SA (France)	-	-	-	11,890	-	-	-	-	-	-
Fidelity Management & Research	-	1,152,287	-	7,082,962	8,701,838	-	1,547,875	117,989	7,927,288	-
Fideuram Asset Management Ltd. (Ireland)	-	-	-	-	-	-	-	-	-	8,000
Fiduciary Asset Management Co., Inc.	69,000	-	-	-	-	-	23,200	48,500	182,300	-

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Fiduciary Financial Services of the Southwest, Inc	3,660	-	270	-	3,500	-	-	900	119	-
Fiduciary Management Associates LLC	18,500	11,450	2,150	38,200	-	-	60,800	33,485	-	-
Fiduciary Management, Inc.	-	-	-	-	-	-	-	-	-	14,000
Fiduciary Trust Co.	-	-	-	-	-	-	8,262	-	-	-
Fiduciary Trust Co. International	-	30,250	-	-	10,280	-	400	-	-	-
Fifth Third Asset Management	7,850	3,467	49,878	-	27,190	53,618	28,638	8,281	29,534	10,954
Financial Counselors, Inc.	-	-	-	-	-	-	69,130	2,230	-	-
First Citizens Capital Management Group	-	-	-	-	-	-	-	13,242	-	88,972
First Community Bank of Bluefield	6,480	-	-	-	-	-	-	-	-	-
First Financial Bank NA	-	-	-	-	-	-	-	-	-	-
First Interstate Bank	5,550	-	-	-	-	-	-	-	-	-
First Investors Management Co., Inc.	-	189,000	1,000	-	-	-	-	-	-	-
First Manhattan Co.	-	-	-	-	-	-	-	-	-	-
First Midwest Bank Trust Division	1,840	-	-	-	-	-	-	13,260	-	-
First National Bank of Chester County	50	-	-	-	-	-	-	-	49,780	22,780
First Niagara Investment Advisors, Inc.	28,250	7,500	4,950	1,100	3,000	-	225	-	-	-
First Quadrant LP	-	719,000	-	-	-	-	-	-	-	-
First Tennessee Bank	-	7,200	-	-	-	18,800	-	-	-	-
First Trust Advisors LP	-	793	886	759	129	-	5,770	-	-	-
FirstMerit Trust	2,913	-	3,177	-	-	1,049	2,273	1,482	-	-
Fisher Investments, Inc.	-	7,900	-	4,500	-	-	-	-	-	-
Flippin, Bruce & Porter, Inc.	4,200	-	-	-	-	8,000	-	-	-	-
Flood, Gamble Associates, Inc.	-	-	-	-	-	-	-	-	-	-
FM Global	200,000	28,700	-	-	-	-	-	-	-	-
Folger Nolan Fleming Douglas, Inc.	-	-	-	-	-	-	-	-	500	-
Folksam Fond AB	-	-	1,068	-	240	-	-	-	-	-
Fortis Gesbete SGIIC	-	-	-	-	-	-	-	-	-	-
Fortis Investments Management USA, Inc.	-	-	-	-	-	-	-	13,873	-	-
Founders Asset Management, Inc.	259,790	123,159	-	22,000	-	-	-	-	-	2,038
Foxhall Capital Management, Inc.	-	-	-	717,744	277,526	-	-	-	-	-
Franklin Advisers, Inc.	-	1,450	-	-	-	-	-	-	-	-
Franklin Mutual Advisers LLC	-	-	-	400	100	376,800	-	3,300	8,253	4,326
Franklin Portfolio Associates	-	-	-	-	-	-	-	42,400	36,500	-
Franklin Street Advisors, Inc.	-	-	-	5,800	-	-	-	-	-	5,700,800
Fred Alger Management, Inc.	58,680	172,228	32,450	-	-	-	-	4,700	5,100	831,300
Freeman Associates Investment Management LLC	4,022,380	1,430,000	4,064,440	-	-	-	-	-	-	-
Front Barnett Associates LLC	-	-	-	-	-	-	-	-	-	-
Front Street Capital, Inc.	-	-	-	-	62,100	-	-	-	-	-
Frost National Bank of San Antonio N.A.	-	-	-	-	5,870	300	1,033	-	28,600	-
Fulton Financial Advisors	7,810	-	-	-	-	-	-	-	-	-
G. W. Henssler & Associates Ltd.	-	-	-	15,645	17,890	38,246	-	-	-	25,000
GAM USA, Inc.	-	-	7,275	700	200	31,900	3,713	20,632	28,850	83,095
GAMCO Investors	-	-	73,893	10,477	6,888	2,111	10,936	32,687	-	-
Gardner Lewis Asset Management	-	-	-	-	-	-	-	101,399	-	-
Gardner Russo & Gardner	-	1,500	-	-	-	-	-	23,224	-	-
Gateway Investment Advisers LP	-	-	-	-	-	-	-	-	-	-
GE Asset Management, Inc.	9,200	-	-	-	-	-	-	4,000	2,132,600	-
Geewax, Terker & Co., Inc.	-	-	-	-	-	-	14,000	73,400	-	-
General American Investors Co., Inc.	8,000	1,840	-	292,022	7,669	-	7,771	-	-	-
General Motors Asset Management	-	-	-	400	19,885	119,173	-	-	-	-
General Re-New England Asset Management, Inc	-	87,000	23,600	-	-	280	8,750	-	-	-
George Weiss Associates, Inc.	-	-	600	-	-	-	-	334,460	-	-
Gescooperativo SGIIC	-	-	-	-	-	-	-	-	1,300,000	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	79,800	-	-
	-	-	-	-	-	-	-	-	-	475

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
GBK Gesellschaft fuer Boersenkommunikation	-	-	-	-	-	-	-	6,000	-	-
Gilder, Gagnon, Howe & Co. LLC	-	-	-	-	-	-	-	-	-	-
Glenmede Investment Management LP	19,665	91,603	40,910	5,067	16,175	-	-	-	-	-
Glens Falls National Bank & Trust Co.	1,500	4,800	2,600	-	-	-	-	4,250	850	-
Glenview Capital Management LLC	-	-	-	-	-	-	-	-	-	500,000
Global Index Advisors, Inc.	-	-	-	-	-	-	-	-	18,570	-
Global Value Investment Portfolio Management P	-	-	-	-	-	-	-	-	-	200,000
Globalt, Inc.	-	107,697	74,330	-	35,240	-	-	34,202	-	-
Glynn Capital Management LLC	-	-	-	-	-	-	-	-	-	-
Gofen & Glossberg, Inc.	-	-	-	2,850	200	-	5,450	7,970	-	-
Goldman Sachs & Co.	-	304,893	36,276	416,396	116,128	-	-	-	-	47,783
Goldman Sachs Asset Management LP (US)	-	302,300	178,900	-	80,035	-	22,887	9,881	-	4,416,767
Goldman Sachs Execution & Clearing LP	29,000	-	-	-	-	-	-	-	-	-
Grantham, Mayo, Van Otterloo LLC	-	7,500	20,000	-	-	10,000	12,600	-	-	57,500
Gratry & Co., Inc.	250	-	-	-	-	-	-	-	-	-
Great Lakes Advisors, Inc.	-	1,038	19,590	-	1,620	-	39,483	20,730	55,230	-
Graylin Investment Management, Inc.	-	32,275	700	-	-	3,800	2,400	1,025	34,850	143,250
Griffin Asset Management, Inc.	-	-	-	-	-	-	6,000	-	-	-
Grisanti Brown & Partners LLC	-	-	-	-	-	-	-	-	-	40,000
Gruss Asset Management LP	-	148,858	-	-	-	-	-	-	-	-
Guaranty Trust Co. of Missouri	4,917	1,400	300	350	510	-	-	2,800	-	-
Guardian Investor Services LLC	7,900	-	3,208	-	-	-	-	6,938	1,923	-
Guyasuta Investment Advisors, Inc.	2,900	-	-	-	-	-	-	-	-	-
GW & Wade, Inc.	-	-	-	-	-	13,020	1,140	-	-	-
GW Capital Management LLC	-	-	-	24,925	1,350	-	-	-	-	788
H. G. Wellington Capital Management	5,800	-	-	24,800	2,400	-	-	-	-	-
H. M. Payson & Co.	-	-	-	4,350	-	-	-	-	-	-
Hale & Dorr Capital Management LLC	-	-	-	-	-	-	-	-	-	-
Hallmark Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-
Hancock Bank of Mississippi (Horizon Advisers)	-	3,590	-	-	-	350	-	-	-	-
Handelsbanken Fonder AB	-	-	-	-	-	-	-	131,870	-	-
Hansberger Global Investors, Inc.	-	-	-	-	-	82,000	39,100	-	19,400	27,700
Hardesty Capital Management Corp.	488	-	6,475	-	-	28	-	480	-	-
Harleysville Group, Inc. Asset Management	-	-	-	1,920	3,530	-	-	800	1,230	-
Harris Investment Management, Inc.	-	-	-	-	-	-	1,454	65	-	-
Hartford Investment Management Co., Inc.	3,000	33,237	-	-	15,900	-	-	-	-	9,129
Hartline Investment Corp.	-	-	-	-	-	-	1,000	450	300	-
Harvard Management Co., Inc.	-	5,500	35,000	69,000	-	-	1,300	-	-	-
HBK Investments LP	-	-	-	-	-	-	-	21,200	-	73,300
Heilman, Jordan Management Co., Inc.	301,500	160,000	-	10,900	289,000	195,400	-	-	588,400	-
Hendley & Co., Inc.	-	-	-	-	-	-	-	-	-	-
Hermes Pensions Management Ltd.	-	14,200	-	-	3,710	-	-	-	-	-
Hester Capital Management LLC	-	-	-	-	-	-	14,600	5,000	15,600	455
HGK Asset Management, Inc.	6,200	-	-	-	-	-	-	-	-	-
High Point Bank & Trust Co.	-	-	-	-	-	-	-	2,400	-	-
HighMark Capital Management	-	-	524,900	-	-	-	-	-	-	-
Holdemess Investments Co.	-	-	-	-	-	12,180	850	200	3,850	-
Hotchkis & Wiley Capital Management LLC	-	-	-	-	-	-	-	-	-	43,300
Howard Capital Management	-	9,925	-	-	-	-	-	-	-	-
Howland Capital Management, Inc.	-	6,750	-	-	-	-	35	-	-	-
HSBC Investments (UK) Ltd.	-	-	186,875	-	81,408	26,687	229,684	-	-	-
HSBC Investments Deutschland GmbH	-	-	-	-	-	-	-	4,084	-	-
HSBC Investments USA	-	-	-	-	-	-	84,000	-	-	-

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USCA5 7039

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Huntington Asset Advisors, Inc.	3,875	6,675	-	-	-	-	-	-	-	-
HVB Capital Management, Inc.	-	-	-	400	-	-	-	-	-	-
I. G. Investment Management Ltd.	-	-	-	10,000	-	-	-	-	-	-
Ibercaja Gestion SGIIC	-	-	-	-	-	-	-	-	-	-
IBM Retirement Plan	-	-	-	-	-	-	-	-	-	-
ICC Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-
ICM Asset Management, Inc.	37,400	-	-	-	-	-	-	-	-	-
Icon Advisers, Inc.	300	-	1,620	-	-	2,069	18,074	-	-	1,800
Independence Investments LLC	2,500	-	-	-	-	15,500	400	8,500	6,732	1,970
ING Investment Management Co.	-	-	-	-	-	28,260	-	-	32,100	430
ING Investments LLC	-	-	-	-	-	-	-	-	12,000	75,730
Ingalls & Snyder Asset Management	40,700	-	-	1,143,083	21,896	-	3,700	-	-	-
Insight Investment Management (Global) Ltd.	9,100	8,900	2,240	13,700	2,225	-	48,600	-	384,400	-
Integra Bank, N.A.	-	-	-	2,715	-	100,960	-	165,800	98,220	-
Intel Corp. Pension Fund	-	-	-	-	100	7,402	25	105	10,150	-
INTRUST Bank N.A.	-	12,900	-	-	-	80,000	181,450	25,000	3,408	84,230
Invemess Counsel, Inc.	-	-	-	-	-	-	18,400	720	-	-
INVESCO Asset Management Ltd.	-	-	-	2,234	-	11,300	16,700	18,500	600	-
INVESCO Capital Management	-	-	-	-	-	-	-	-	3,000	-
Investments Technology, Inc.	-	-	94,240	1,462	8,141	25,010	-	-	-	-
Iridian Asset Management LLC	-	-	-	-	-	-	231,625	13,814	-	5,800
J. & W. Seligman & Co., Inc.	-	-	-	-	497,195	178,600	275,400	273,278	14,772	158,920
Jacobs Levy Equity Management, Inc.	-	19,600	222,800	142,400	2,900	-	-	-	1,500	849,923
JAG Advisors	-	-	-	-	-	197,700	-	-	-	-
Janus Capital Management LLC	-	1,500	-	-	-	-	-	-	-	-
Jennison Associates LLC	-	-	-	8,155	-	-	-	-	416,000	-
JLF Asset Management LLC	-	-	-	72,800	-	-	-	-	-	-
JMG Capital Management, Inc.	-	-	-	-	-	14,381,500	8,510,200	1,207,235	784,635	-
Joel R. Mogy Investment Counsel, Inc.	-	-	-	-	-	-	-	301,917	-	-
John G. Ullman & Associates, Inc.	-	-	-	-	-	-	-	-	-	-
John P. O'Brien Investment Management, Inc.	-	-	-	-	-	-	6,613	-	-	190,000
Johnson Investment Counsel, Inc.	14	-	34	-	10	12	13	22	-	32,550
Johnston Lemon Asset Management, Inc.	-	20,900	9,313	29,369	27,483	58,116	22,897	12	70,560	-
Johnston, Reid & Mitchell, Inc.	-	9,300	60	800	-	-	7,230	12,733	178	-
Jones Heward Investment Counsel	-	3,799	-	-	-	-	2,050	-	3,045	-
JPMorgan Asset Management (UK) Ltd.	-	-	110	-	-	400	-	850	-	-
JPMorgan Asset Management, Inc. (US)	-	-	-	1,600	188	3,413	9,132	-	-	-
JPMorgan Chase Bank NA	-	-	-	20,682	225,800	934,500	-	60,645	-	-
JPMorgan Investment Advisors, Inc.	48,220	84,468	18,618	-	38,830	1,468,202	10,411	-	117,299	-
JPMorgan Securities, Inc.	216,422	1,255,247	-	-	751,392	-	-	-	-	-
JPMorgan Trust Bank Ltd.	-	-	-	100	2,400	2,275	-	117,851	-	-
Jupiter Asset Management Ltd. (UK)	-	-	-	-	55,000	4,800	-	-	-	-
Jyske Invest Administration A/S	-	-	-	-	-	-	-	-	-	-
Kanaly Trust Co.	-	-	-	18,348	-	-	-	-	-	-
Kanawha Capital Management LLC	701	-	-	-	-	-	-	250	33,870	2,000
Karpas Strategies LLC	-	-	-	23,873	-	10,000	-	-	-	-
KBC Asset Management (Belgium)	-	-	18,845	-	-	115,405	-	44,659	-	-
KCM Investment Advisors	-	-	-	-	-	-	-	-	-	-
Keeling Investment Counselors, Inc.	-	-	14,100	43,600	-	113,600	-	-	25,300	-
Kelmoore Investment Co., Inc.	-	127,400	14,128	-	-	-	-	45,800	83,100	-
Ken Roberts Investment Management, Inc.	10,975	-	-	-	-	-	-	-	-	-
Kentucky Teachers Retirement System	-	28,890	-	300,000	-	-	-	-	-	4,100
Kingdon Capital Management LLC	-	-	-	-	-	-	-	-	-	-

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Kingwest & Co.	-	-	-	-	-	-	-	-	-	1,850
Klingenstein, Fields & Co. LLC	20,700	18,250	450	-	-	3,350	30,300	11,666	-	-
Komitzer Capital Management, Inc.	-	1,400	-	-	-	900	-	-	-	-
LaSalle National Bank	5,140	-	-	-	-	-	-	-	-	-
Ledyard National Bank	-	-	-	4,400	-	-	-	-	-	-
Lee, Danner & Bass, Inc.	-	1,000	400	-	24,000	-	-	7,100	-	-
Legal & General Investment Management Ltd.	-	32,751	8,922	18,940	40,168	35,759	27,430	1,730	-	-
Legg Mason Canada, Inc.	-	61,400	300	-	-	28,950	-	-	-	-
Legg Mason Capital Management, Inc.	-	-	-	-	-	-	-	-	-	5,000
Legg Mason Investment Counsel LLC	-	-	-	-	-	200	-	-	-	-
Lehman Brothers, Inc.	-	900	16,321	-	98,459	72,549	-	-	73,439	582,195
Lehrer Management Co., Inc.	-	1,750	-	-	-	-	-	-	-	-
Lemanik Asset Management Luxembourg SA	-	-	-	-	-	-	-	-	-	6,000
Liberty Ridge Capital, Inc.	32,600	-	-	-	-	52,000	-	-	-	-
LKB Expert Fondsleitung AG	-	-	-	-	-	-	-	-	50,400	-
Lockheed Martin Investment Management Co.	-	-	-	-	-	-	-	80,000	-	-
Loeb Partners Corp.	-	-	-	-	-	-	-	-	-	-
Loews Corp. Investments	-	-	-	-	-	-	-	15,300	-	-
Logan Capital Management, Inc.	-	-	-	-	-	-	6,350	-	-	-
Lombard Odier Darier Hentsch & Cie.	-	-	-	-	-	11,000	-	-	-	-
Loomis, Sayles & Co. LP	-	-	-	-	-	-	-	-	-	-
Lord Abbett & Co. LLC	-	-	-	-	-	-	37,100	-	-	146,278
Loring, Wolcott & Coolidge Fiduciary Advisors	-	1,000	-	-	233	1,800	-	-	-	-
Los Angeles Capital Mgmt & Equity Research, Inc	4,400	-	254,248	-	-	1,100	-	-	14,200	113,200
Lotsoff Capital Management	-	-	-	-	-	55	-	-	-	-
Lowe Brockenbrough & Co., Inc.	-	14,800	-	-	7,075	141,315	-	2,460	30,601	-
LSV Asset Management	-	-	-	-	-	-	-	-	1,100	400
Luther King Capital Management Corp.	358,484	35,500	45,200	-	-	23,100	-	23,780	-	-
Lux Investment Advisors SA	-	-	-	-	-	-	-	-	25,950	-
M & I Investment Management Corp.	-	-	40,526	-	4,468	-	2,192	-	-	-
M&T Investment Group	25,110	-	-	9,610	495	81,582	4,066	-	-	-
M. A. Greenwood & Associates, Inc.	100	-	-	-	-	-	-	-	260	-
M.M. Warburg Invest KGaA	-	-	-	-	3,200	-	-	-	-	-
MacKay Shields LLC	-	-	-	-	-	-	-	-	-	-
Mackenzie Financial Corp.	21,800	12,200	8,000	-	500	-	-	3,460	-	-
Mainstream Investment Advisers LLC	-	-	35,000	-	-	-	-	-	-	-
Mandatum Asset Management Ltd.	-	-	-	-	-	-	-	6,823	-	-
Manning & Napier Advisors, Inc.	-	-	-	791,050	-	-	-	-	-	-
Marco Investment Management LLC	-	-	-	-	-	-	215	-	-	-
Marketocracy Capital Management LLC	-	-	-	-	-	-	-	-	-	60
Marketon International LLC	-	-	-	-	-	-	-	-	-	41,000
Marque Millennium Capital Management Ltd.	-	-	2,600	-	6,700	92,700	1,460	3,510	9,780	-
Marsico Capital Management LLC	-	-	-	2,256,860	-	-	-	-	-	-
Marvin & Palmer Associates, Inc.	337,900	-	-	304,700	383,700	-	-	577,000	-	-
Mason Street Advisors LLC	-	-	-	-	-	-	-	-	-	-
Masters Capital Management LLC	-	-	-	-	250,000	-	-	1,035,000	65,000	-
Maverick Capital Ltd.	-	-	-	-	-	-	-	-	-	10,000,000
MB Investment Partners, Inc.	1,500	-	-	-	-	5,500	-	-	-	-
McCullough & Associates LLC	-	-	-	-	-	-	-	-	-	-
McGlinn Capital Management, Inc.	79,600	-	207,807	2,132	-	-	-	16,800	141,732	-
McMorgan & Co. LLC	-	-	-	-	-	-	-	-	-	-
Mellon Capital Management	-	184,442	131,352	354,023	102,247	294,173	1,848,669	-	630,480	-
Mellon Equity Associates LLP	600	24,100	1,900	-	-	-	-	2,000	-	-

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USCA5 7041

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Mercantile-Safe Deposit & Trust Co. /Mercantile C	-	-	-	79,034	-	-	-	-	-	-
Meridian Investment Advisors	775	-	-	-	-	-	-	-	-	-
Merrill Lynch, Pierce, Fenner & Smith, Inc.	261,356	303,158	-	-	44,723	299,890	-	-	141,641	-
Mesirow Asset Management, Inc.	-	28,765	-	-	-	-	-	-	-	-
Metropolitan Life Insurance Co.	-	656	11,436	38,041	-	91	-	-	43,497	-
Metropolitan West Capital Management LLC	-	182,552	178,899	177,083	126,979	497,369	283,734	183,939	203,763	-
Metzler Asset Management GmbH	-	-	2,000	-	-	-	-	-	-	-
Meyer Handelman Co.	-	-	-	-	-	-	-	-	1,000	7,200
MFC Global Investment Management	1,237	1,700	-	-	1,393	-	1,916	4,923	29,163	245,755
MFC Global Investment Management (US) LLC	-	-	359,589	-	-	-	372,095	271,534	-	-
MFM International	-	-	-	-	-	-	427,080	-	74,795	-
MFS International (UK) Ltd.	-	-	-	42,500	-	-	-	-	-	9,900
MFS Investment Management	191,185	2,151,400	3,726,095	983,130	-	-	407,724	3,220,898	-	-
Michigan Department of Treasury	-	-	6,000	900	-	7,300	-	-	-	9,000
Millennium Partners	-	-	-	-	-	431,508	-	82,645	32,550	1,142,169
Missouri State Employees Retirement System	2,900	-	-	1,200	-	-	-	-	-	-
Missouri Valley Partners, Inc.	-	-	-	-	-	6,400	-	-	-	-
MIT Investment Management Co.	-	13,800	-	-	-	-	-	-	-	-
Mitchell Sinkler & Starr	-	1,000	1,700	-	-	-	-	4,100	-	-
Monarch Capital Management, Inc.	4,000	2,600	1,800	-	-	-	-	-	-	-
Monetary Management Group, Inc.	-	-	-	-	-	4,250	-	-	-	375
Montag & Caldwell, Inc.	18,700	-	-	-	-	-	161,600	-	-	-
Moody, Lynn & Co.	29,662	-	-	11,950	-	-	-	-	-	-
Moore Capital Management LLC	271,364	-	52,000	-	-	-	-	-	-	-
Morgan Asset Management, Inc.	1,910	-	-	6,211	4,378	73,356	151,145	119,184	-	-
Morgan Dempsey Capital Management LLC	-	-	-	-	-	-	17,290	-	-	-
Morgan Stanley & Co., Inc.	-	298,957	897,069	-	118,774	410,485	-	656,171	-	1,848,384
Morgan Stanley Gestion SGIIC SA	-	-	-	-	12,485	-	-	11,580	-	11,313
Morgan Stanley Investment Management (UK)	-	-	-	-	-	-	-	236,100	-	-
Morgan Stanley Investment Management, Inc.	373,871	-	-	-	1,770,855	-	2,029,254	-	-	17,280,578
Morley Fund Management	-	-	-	-	-	-	22,700	-	11,300	8,800
Morse Williams & Co., Inc.	-	-	-	-	-	-	-	-	-	-
MTS Investment Advisors, Inc.	-	-	-	232,890	-	1,700	-	-	-	-
Mulvihill Capital Management, Inc.	-	-	-	-	-	-	-	-	28,000	304,600
Munder Capital Management	-	-	-	-	60,900	-	106	-	-	449,610
Murphy Capital Management, Inc.	300	-	50	-	200	-	-	100	90	100
Mutual of America Capital Management Corp.	4,800	70,282	987	-	-	-	-	-	-	1,025
MyBank/First United Bank & Trust Co.	-	-	-	-	14,435	-	1,675	1,775	1,080	-
National Bank of Indianapolis Wealth Manageme	-	-	-	-	900	-	80	-	28	-
National Independent Trust Co.	-	-	-	-	-	-	-	-	-	2,180
National Rural Electric Cooperative Association	-	-	-	-	-	225,000	-	30,300	-	-
National Westminster Bank Plc	-	-	-	-	-	1,000	-	-	-	-
Natixis Private Banking Luxembourg SA	-	-	-	-	-	-	-	-	-	13,000
NBT Bank	-	-	2,600	-	-	-	-	-	-	-
NCM Capital Management Group, Inc.	-	-	286,676	-	-	-	-	-	-	-
Needham Investment Management LLC	-	-	-	-	-	-	-	-	-	202,500
Neuberger Berman LLC	-	2,468,515	1,681,541	-	-	-	-	-	-	-
Neuflize OBC Asset Management	-	-	-	-	-	-	-	-	-	78,618
New Jersey Division of Investment	-	-	-	-	-	-	-	1,585,600	-	-
New Mexico Educational Retirement Board	-	-	-	-	-	-	4,400	-	-	3,900
New York Life Investment Management LLC	378,789	-	-	-	-	15,525	-	-	-	-
New York State Common Retirement Fund	-	-	-	-	33,800	496,300	297,300	-	190,100	45,275
New York State Teachers Retirement System	-	-	-	-	-	-	-	-	-	-

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Newton Investment Management Ltd.	-	62,500	-	198,200	-	873,608	-	-	-	-
Nicholas Advisors, Inc.	-	-	-	-	-	-	89,000	-	-	-
Nicholas-Applegate Capital Management	-	-	-	-	-	-	-	-	-	-
NISA Investment Advisers LLC	-	-	7,500	9,200	-	7,800	5,200	-	-	137,700
Nissay Asset Management Co.	121,234	-	-	244,070	-	-	-	856,700	119,020	-
NLI International, Inc.	20,900	14,400	-	-	-	-	-	-	-	-
Nomura Asset Management Co., Ltd.	3,300	3,000	-	98	34,300	-	-	128,988	31,600	-
Nomura Asset Management U.S.A., Inc.	54,300	19,000	-	8,400	10,500	-	-	-	-	-
Nomura Securities Co., Ltd. (Wealth Management	24,748	5,840	-	101,859	61,524	86,999	-	65,202	59,940	-
Norges Bank Investment Management	-	-	-	-	-	24,930	1,328	35,973	-	205,329
North American Management Corp.	-	-	-	-	-	-	-	-	-	-
Northeast Investment Management, Inc.	-	-	-	-	-	-	-	-	-	-
Northern Capital Management LLC	-	10,900	7,000	-	-	-	-	-	-	-
Northern Trust Global Advisors, Inc.	54,844	-	-	28,391	-	-	8,030	6,600	33,585	27,000
Northern Trust Investments	176,282	-	-	422,923	286,528	-	88,697	164,534	21,065	-
Northwestern Investment Management Co. LLC	-	-	-	-	-	-	-	700	-	400
NWD Investments	-	89,637	-	-	-	128,188	-	90,769	-	17,043
NWQ Investment Management Co. LLC	-	-	-	-	-	34,557	-	-	129,259	225,923
Odin Forvaltning AS	-	-	-	-	-	-	-	-	-	17,414
Ohio Public Employees Retirement System	-	-	8,220	-	54,078	41,073	4,021	-	127,474	-
OKO Asset Management Ltd.	-	-	-	-	-	-	-	540	-	-
Old National Wealth Management	-	-	-	-	-	-	-	8,625	-	32,128
Olstein Capital Management LP	-	50,000	37,000	-	-	-	-	-	-	-
ON Investment Management, Inc.	-	5,000	-	-	44,000	-	11,000	-	31,000	-
Onyx Capital Management LLC	-	-	-	-	-	-	72,200	-	-	-
Oppenheim Pramerica Kapitalanlage GmbH	-	-	-	-	-	-	-	2,359	-	-
Oppenheimer Asset Management	-	-	9,716	-	-	5,200	-	-	-	-
Oppenheimer Capital	5,350	-	133	-	-	5,894,858	1,986,983	1,127,709	1,318,788	-
OppenheimerFunds, Inc.	50,000	-	52,800	60,100	-	1,980,800	625,620	818,580	942,260	540,660
Optimum Investment Advisors LP	21,958	5,875	-	1,115	-	-	-	10,978	3,201	-
Opus Investment Management, Inc.	42,900	-	2,200	-	-	-	-	-	-	-
Orleans Capital Management Corp.	1,500	-	3,100	390	-	-	-	-	-	-
Osborne Partners Capital Management	-	3,032	-	230	1,286	2,032	-	-	-	-
Osterweis Capital Management, Inc.	-	-	-	-	2,402	-	-	-	-	-
P. J. Schmidt Investment Management, Inc.	-	1,875	-	-	-	-	-	-	-	-
Pacific Assets Management LLC	-	-	-	-	-	-	-	-	-	-
Pacific Capital Wealth Management Services	1,050	-	-	10,090	-	-	32,000	169,000	-	32,550
Pacific Income Advisers, Inc.	-	-	-	5,115	-	-	-	-	-	-
PADCO Advisors, Inc. (Rydex Global)	-	-	11,135	73,310	-	770	-	-	-	-
Paloma Partners Management Co.	-	-	-	-	282,308	21,587	-	-	-	-
Paradigm Asset Management Co. LLC	-	-	-	-	-	-	-	-	-	49,594
Paragon Investment Management, Inc.	-	-	-	11,400	-	34,400	-	-	-	149,120
Parametric Portfolio Associates	-	38,800	4,200	-	300	3,100	-	-	-	-
Park National Bank	10,438	-	11,627	14,578	24,103	-	45,508	11,842	-	-
Parsons Capital Management, Inc.	-	-	-	950	80	6,250	1,000	-	-	25,751
Patten & Patten, Inc.	1,337	787	-	-	-	38	-	-	-	100
Peak Investments LLC	-	-	-	-	4,729	-	-	7,490	-	-
Pekin Singer Strauss Asset Management	-	-	-	-	-	-	-	-	-	-
PENN Capital Management, Inc.	-	-	-	4,700	-	-	-	-	-	-
Pennsylvania Public School Employees Retiremer	-	5,265	-	-	-	-	-	-	-	-
People's Bank (CT)	-	-	-	322,280	-	-	-	-	-	-
Pequot Capital Management, Inc.	47,285	3,498	700	-	-	-	-	238,100	720,600	-
Perkins, Wolf, McDonnell & Co.	-	-	-	-	-	71,000	-	800	1,700	2,224
	-	331,151	90,880	364,670	740	-	-	-	-	-

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USCA5 7043

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Petercam Asset Management (Belgium) SA	-	-	-	-	-	-	-	4,500	-	5,000
Petersen, Flynn & Dinsmore, Inc.	-	41,480	-	-	-	-	-	-	-	-
PGB Trust & Investments	-	-	-	-	-	-	12,582	-	500	-
Philadelphia Investment Management Co.	-	-	-	-	-	170	-	-	-	-
Phoenix Investment Counsel, Inc.	-	-	23,000	-	-	7,700	-	-	-	-
Phoenix/Zweig Advisers LLC	-	-	-	-	83,800	-	-	-	-	-
Pictet Asset Management Ltd.	-	-	-	-	-	-	-	1,106	-	-
Pin Oak Investment Advisors, Inc.	-	23,450	-	-	-	-	-	19,432	-	-
Pinnacle Associates Ltd.	5,175	52,720	7,760	-	8,280	-	12,774	4,101	-	-
Pioneer Investments	-	-	-	305,600	150,000	-	-	525,000	-	-
Pioneer Investments Austria	-	-	-	-	350	-	800	-	-	-
Pioneer Investments Kapitalanlagegesellschaft m	-	-	-	-	-	-	-	5,300	18,001	12,300
Pitcairn Financial Group	-	27,898	-	4,350	95	-	-	-	-	-
PNC Bank NA	65,691	-	-	-	2,797	15,529	20,840	42,527	-	-
Prescott Group Capital Management LLC	-	-	-	-	-	-	-	-	-	144,000
Principal Global Investors LLC	6,713	1,073,155	438,504	-	26,627	-	-	11,946	-	-
Privat Bank Patrimonio SGIIC	-	-	-	-	-	-	-	-	-	34,914
Private Asset Management, Inc.	6,050	1,400	705	-	122	-	-	503	48,235	38,550
Provident Investment Counsel, Inc.	-	-	-	9,100	9,600	-	-	-	-	-
Prudential Investment Management	-	40,488	-	-	-	6,289	33,909	12,083	243,063	-
Putnam Investment Management, Inc.	-	-	-	-	6,429,097	-	229,386	-	-	401,800
Qwest Asset Management Co.	-	-	4,100	-	-	-	-	-	-	-
R. M. Davis, Inc.	-	-	-	-	4,200	-	-	-	-	-
Rainier Investment Management, Inc.	-	-	-	-	-	-	-	-	-	-
Ramius Capital Group LLC	-	-	-	-	-	24,735	-	-	-	-
Ramsey Quantitative Systems	-	-	-	-	-	15,500	4,500	75,900	-	-
RAS Asset Management SGR SpA	-	-	-	-	-	19,000	-	-	-	-
Raymond James & Associates	-	-	-	-	-	-	17,936	1,920	-	-
RBC Capital Markets (US)	-	3,729	1,952	-	-	-	5,075	-	240	-
RCM (UK) Ltd.	-	-	-	-	590	18,000	-	10,000	-	-
RCM Capital Management LLC	-	-	-	50,200	-	-	-	17,300	90,400	-
Reed, Conner & Birdwell LLC	-	-	-	-	-	-	-	11,550	-	-
Regents of the University of California	-	-	-	-	-	-	-	-	-	-
Renaissance Technologies Corp.	137,600	-	389,100	-	-	174,600	348,500	-	829,900	-
Richards & Tierney, Inc.	-	-	-	-	8,500	-	-	-	-	-
Rigel Capital LLC	-	-	10,400	-	3,000	5,200	-	-	-	-
Riva y Garcia Gestion SGIIC SA	-	-	-	-	-	-	-	-	-	2,038
RiverSource Investments LLC	965,475	1,892,550	5,918,791	2,484,412	1,479,159	-	1,017,231	-	-	-
Roanoke Asset Management Corp.	-	-	-	-	-	23,730	2,940	1,230	-	-
Robeco Boston Partners Asset Management LLC	-	-	14,300	-	-	-	-	-	-	-
Robeco Weiss, Peck & Greer Investments	-	39,625	11,225	-	35,650	48,362	-	-	5,420	-
Rochdale Investment Management LLC	-	-	-	-	-	-	-	-	-	-
Rockefeller & Co., Inc.	-	-	-	-	-	-	-	9,800	-	-
RockView Management LLC	-	26,100	89,000	-	48,000	104,900	-	-	-	2,900
Rodney Square Management Corp.	-	-	-	-	-	-	-	10,000	20,000	-
Roger M. Jeneweld & Co., Inc.	-	300	-	-	1,297	-	-	-	-	-
Ropes & Gray LLP	-	-	11,340	-	400	-	-	-	-	-
Rothschild Asset Management, Inc. (US)	-	-	12,183	-	-	-	-	-	-	-
Rothschild Investment Corp.	-	29,900	-	-	-	1,300	-	-	500	-
Royal London Asset Management Ltd. --	-	-	-	-	20,910	-	206,470	-	-	-
Rudman Capital Management LLC	-	-	-	-	-	-	-	-	-	98,900
Russell Investment Group	208,031	-	63,900	86,946	3,728	-	991,780	124,369	-	-
S.A.C. Capital Advisors	-	9,309	13,391	-	-	170,009	-	22,500	55,400	815,800

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USCA5 7044

Exhibit 12

Quarter Ended	6/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Safeco Corp. Asset Management	-	-	-	-	-	78,400	-	-	-	-
Sagamore Hill Capital Management LP	-	-	-	-	-	-	10,000	-	-	28,800
Salem Capital Management, Inc.	-	1,100	-	-	-	-	-	-	-	5,100
Saliant Partners & Pinnacle Trust Co.	-	-	-	-	1,120	-	-	-	-	300
SAM Groupe Holding AG	-	-	-	-	-	-	-	8,700	-	-
San Francisco Sentry Investment Group	800	700	400	-	-	-	-	-	-	-
Sand Hill Advisors, Inc.	-	-	-	-	-	-	-	8,590	-	-
Santander Asset Management SGIIC SA	-	-	-	-	-	14,566	-	60,663	-	-
Saybrook Capital Corp.	-	-	-	-	-	-	-	-	-	8,000
Schafer Cullen Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-
Schneider Capital Management Corp	-	-	-	-	-	423,840	-	-	-	300,000
SCM Advisors LLC	302,699	249,480	993,259	-	-	180,162	-	-	87,666	-
Scottish Investment Trust Plc	-	-	-	-	-	1,023	30	809	5	159,882
Seaward Management Corp	1,800	100	400	200	-	-	-	-	-	-
SEB Investment Management AB	-	-	-	-	5,415	-	-	-	-	-
Security Management Co. LLC	-	118,800	-	-	-	-	91,500	520	-	-
Seguros Bilbao Fondos SGIIC	-	-	-	-	-	-	-	-	-	-
Sena Weller Rohs Williams, Inc.	1,450	-	1,000	4,000	-	1,194	-	-	-	1,097
Sentinel Asset Management, Inc	2,550	1,000	34,484	-	-	-	-	3,030	-	1,098
Sentrust Trust Co.	29,400	-	-	-	-	-	-	-	-	-
SG Private Banking (Belgium)	-	-	-	-	-	-	-	-	-	-
Shaker Investments LLC	-	-	-	-	-	-	-	-	-	-
Shields & Co.	-	105,900	-	-	-	230,000	69,900	-	-	51,300
Shufro, Rose & Co. LLC	-	-	-	-	-	-	-	-	-	30,000
Simmons First Trust Co	485	2,000	-	-	-	-	-	-	-	-
Sinopia Asset Management SA	-	-	-	-	-	-	-	-	-	-
SI Investment Associates, Inc.	-	345,800	316,230	-	-	-	-	2,476	-	-
SLS Capital	-	-	-	-	140,200	-	-	-	42,100	-
SMH Capital Advisors, Inc.	-	-	-	-	-	-	-	-	-	-
Smith Breeden Associates, Inc.	-	-	-	-	-	83,950	-	-	-	140,088
SMP Ltd. (Scotia Capital)	-	-	-	3,900	-	-	-	-	-	-
Sonja Fund Management LLC	-	-	-	-	-	-	-	-	-	24,000
Spektrvest Asset Management A/S	-	-	-	-	150,200	145,703	-	-	-	29,324
Spectrum Advisory Services, Inc.	-	25,800	-	-	-	-	-	-	-	-
SSI Investment Management, Inc.	5,025	10,020	-	7,175	-	-	-	-	709	-
St. Johns Investment Management Co	-	-	-	-	-	-	28,945	-	-	-
St. Paul Fire & Marine Insurance Co.	-	-	224,540	50,000	-	-	-	-	-	59,405
Stacey Braun Associates, Inc.	7,325	-	1,000	-	-	-	-	-	-	-
Stafford Capital Management LLC	-	15,700	-	-	-	-	-	-	-	-
Standard Pacific Capital LLC	-	-	155,000	-	-	-	-	-	-	-
Starbuck Tedaldi & Associates	-	-	-	-	-	-	-	-	-	-
State Bank & Trust, Trust Management Division	-	-	-	-	-	-	-	-	-	-
State of Wisconsin Investment Board	-	-	-	-	-	-	-	-	-	-
State Street Global Advisors	-	-	-	-	-	-	-	90,400	-	-
State Street Global Advisors (France) SA	527,162	737,859	-	-	14,200	11,800	11,300	36,800	-	-
State Street Global Advisors Canada Ltd	-	-	-	-	167,298	1,713,503	153,180	-	-	80,000
State Street Global Advisors Ltd. (UK)	-	-	-	-	-	-	-	-	1,484,098	3,198,409
State Teachers Retirement System of Ohio	-	-	-	-	-	-	-	4,142	-	69,194
Steelhead Partners LLC	-	287,200	-	2,800	-	70,000	83,225	-	-	44,264
Steinberg Global Asset Management Ltd	-	1,780	-	-	-	65,000	-	-	100,900	-
Stephens Inc. (AR)	-	-	-	-	-	-	-	-	-	-
Sterne Agee Asset Management, Inc.	-	-	-	-	-	-	-	-	-	-
Stevenson Capital Management, Inc.	-	18,800	3,805	4,991	845	-	-	-	-	-
							3,000			7,000

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Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Steward Capital Management, Inc.	-	-	-	-	-	-	-	-	-	-
Stewart Capital Advisors LLC	-	-	-	600	-	1,900	-	-	-	-
Stichting Pensioenfonds ABP	-	-	-	-	-	-	58,550	-	53,228	26,472
Stock Yards Bank & Trust Co.	-	-	-	-	-	-	-	-	-	-
Storebrand Kapitalforvaltning ASA	-	-	-	-	-	-	-	1,097	-	-
Sturdivant & Co., Inc.	-	-	575	-	-	150	-	-	-	12,219
Sumitomo Life Insurance Co. (Investment Manage	-	-	-	-	-	-	-	-	-	-
Summit Capital Management LLC	-	-	28,300	-	-	-	-	-	-	-
Summit Investment Partners, Inc.	600	-	600	-	-	-	178	-	-	-
SunAmerica Asset Management Corp.	61,645	10,150	1,387,060	-	486,868	-	-	-	2,070	-
Susquehanna Trust & Investment Co.	-	-	-	-	-	-	-	11,780	-	-
Swedbank Robur Fonder AB	-	-	-	-	-	-	-	662,200	587,789	-
Swiss Re Asset Management (Americas), Inc.	60,000	-	-	8,000	-	-	-	-	-	-
Swisscanto Asset Management AG	-	-	-	-	14,500	-	30,000	-	120,500	-
Synchrony Asset Management SA	-	-	-	-	-	1,000	-	1,800	-	-
Synovus Investment Advisors, Inc.	-	1,025	-	-	6,335	-	-	-	-	16,276
Systematic Financial Management LP	-	-	-	-	-	-	-	-	-	-
T. Leavell & Associates, Inc.	-	300	-	7,800	-	-	-	-	300	-
T. Rowe Price Associates, Inc.	610,600	-	-	7,900	-	-	-	-	841	-
TCW Asset Management Co.	99,945	519,842	680,140	-	-	-	-	-	-	-
TD Asset Management, Inc.	-	131,497	-	7,098	-	83,627	-	-	2,300	105,197
TD Banknorth Wealth Management Group	21,066	6,106	-	4,770	3,385	-	-	6,600	2,697	-
Teacher Retirement System of Texas	108,700	-	-	310,000	-	-	80,000	80,000	110,000	-
Teleos Management LLC	100,000	-	-	-	-	-	-	-	-	-
Terre Haute First National Bank	-	1,000	-	900	-	1,200	2,600	2,525	1,650	-
Terry McDaniel & Co.	-	-	-	-	-	-	-	-	-	-
Thales Fund Management LLC	-	33,300	58,300	13,900	-	210,100	-	-	-	138,400
The Adams Express Co.	-	-	-	-	-	-	-	-	-	-
The Baupost Group LLC	-	-	-	-	-	-	-	-	-	989,500
The Boston Company Asset Management LLC	-	-	488,650	1,103,413	60,440	388,850	-	-	-	-
The Bryn Mawr Trust Co.	-	200	-	-	-	1,750	-	-	-	-
The Bumey Co.	-	-	-	-	-	-	-	81	-	-
The California Public Employees Retirement Syst	76,790	-	61,585	-	29,800	-	2,000	-	13,900	8,500
The Edgar Lomax Co., Inc.	-	-	-	-	-	-	-	-	-	3,108,800
The First National Bank of Omaha (FNB Fund Ad	-	-	-	-	-	-	-	-	-	-
The Florida State Board of Administration	-	10,600	-	-	-	-	29,500	-	-	191,700
The Keller Group Investment Management, Inc.	33,034	73,280	22,290	25,072	27,779	-	44,358	19,881	-	-
The Mechanics Bank Asset Management	550	-	-	-	-	-	-	-	-	-
The Mitchell Group, Inc.	1,300	-	-	-	69,000	-	-	-	-	110,800
The Pennsylvania Trust Co.	-	-	-	-	-	-	-	-	-	-
The Philadelphia Trust Co.	-	3,200	-	26,950	1,600	12,350	17,650	-	-	28,000
The Portola Group, Inc.	53,800	23,800	191,150	64,956	18,401	25,867	-	20,425	-	-
The Swarthmore Group, Inc.	-	-	-	-	5,900	107,780	-	-	-	-
The Trust Co. of Oklahoma	143	487	-	1,200	2,000	-	1,200	-	200	-
The Trust Co. of Toledo	3,500	-	-	-	-	700	-	-	2,500	-
The Washington Trust Co.	-	-	-	4,416	240	-	-	-	-	1,300
Thrivent Investment Management, Inc.	2,400	57,600	-	-	-	-	-	-	-	-
TIAA-CREF Asset Management LLC	-	-	282,191	195,591	-	392,688	94,887	87,913	87,188	-
TimesSquare Capital Management LLC	-	-	-	-	3,900	-	-	-	-	100
Tinvest KAGmbH	-	-	-	-	-	-	-	-	6,000	2,000
Tirschwell & Loewy, Inc.	-	14,900	-	-	-	400	3,040	-	22,985	39,565
TNB Financial Services, Inc.	-	21,400	1,000	-	-	-	-	-	-	-
Tobias Bros., Inc.	100,000	-	-	-	-	-	-	-	-	-

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USCA5 7046

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Tocqueville Asset Management LP	-	-	-	-	-	-	-	-	-	-
Todd Investment Advisors, Inc.	8,600	-	-	800	-	-	-	-	-	-
Tompkins County Trust Co.	6,300	6,600	1,200	-	-	-	-	-	-	-
Tower Asset Management LLC	4,250	3,443	-	-	-	-	-	300	-	-
Tower Bank & Trust Co.	-	-	-	-	-	100	-	-	-	-
Tradition Capital Management LLC	-	-	-	-	-	-	-	-	100	-
Trainer Wortham & Co., Inc.	-	-	1,200	-	-	-	60	-	-	-
Transamerica Investment Management LLC	-	-	13,423	154	980	-	-	-	-	1,765
Treas Investment Counsel LLC	-	-	20,400	-	-	-	-	-	-	-
Trellus Management Co. LLC	-	-	-	-	-	-	-	-	80,000	-
Tributary Capital Management LLC	-	-	-	-	2,700	-	-	-	-	-
Trusco Capital Management, Inc.	-	-	645,498	286,662	705,013	-	389,217	-	668,943	-
Trust Co. of Connecticut	5,350	-	-	750	-	-	5,450	-	-	-
Trust Company of Vermont	-	-	-	-	-	-	-	-	-	4,253
Trustmark Investment Advisors	-	-	-	-	-	-	-	-	2,524	2,150
Turner Investment Partners, Inc.	-	-	-	650	-	-	-	-	-	-
Twin Capital Management, Inc.	-	-	-	25,600	-	-	-	-	51,100	-
U. S. Global Investors, Inc.	1,000	-	-	1,000	-	2,000	-	-	-	-
UBS Global Asset Management	-	78,400	637,800	-	121,800	570,900	108,500	299,400	268,500	-
UBS Global Asset Management (UK) Ltd.	-	47,104	-	3,700	-	900	2,360	37,100	-	-
UBS O'Connor LLC	-	-	-	-	-	30,700	46,100	-	-	-
UBS Private Banking (US)	-	-	-	-	-	-	-	-	16,895	-
UBS Securities LLC	-	-	272,349	40,399	-	-	478,963	-	121,682	860,055
UMB Bank	-	-	-	1,641	-	19,030	-	15,789	16,701	-
Union Bank of California N.A.	-	-	-	-	135,190	-	-	10,471	-	-
Union Investment Privatfonds GmbH	-	-	-	-	-	-	-	-	141,800	-
United Bank & Trust (Michigan)	-	27,010	-	280	-	5,925	160	3,610	900	2,150
United States Trust Co. of New York	3,688	36,161	-	-	-	23,716	2,488	-	-	-
Universal-Investment-GmbH	-	-	-	-	-	-	-	6,050	-	14,638
Urquijo Gestion SGIIC	-	-	-	-	-	-	-	-	-	9,577
USAA Investment Management Corp.	-	-	114,752	192,148	-	-	-	-	-	-
Value Line Asset Management	-	-	-	-	-	-	-	12,000	-	-
Van Eck Global	10,000	-	-	-	-	2,900	-	-	-	-
Van Kampen Asset Management	606,482	-	698,999	-	586,077	1,188,713	2,631,053	2,835,511	6,043,983	-
Vanguard Group, Inc.	190,353	36,605	35,570	52,208	60,481	46,620	115,619	401,452	-	46,955
Vaughan Nelson Investment Management LP	-	-	-	-	-	-	-	34,900	-	-
Veritas SG Investment Trust GmbH	-	-	-	-	-	5,000	-	-	-	-
Verizon Pension Fund	-	36,985	3,789	-	14,981	5,383	152,684	-	98,500	-
Victory Capital Management, Inc.	178,198	497,102	-	-	-	322,759	98,152	18,817	92,828	-
Virginia Retirement Systems	-	18,400	-	-	300	8,000	21,400	-	30,200	63,800
Volksbanken Invest KAG	-	-	-	-	-	-	-	-	-	17,400
W. H. Reaves & Co., Inc.	114,400	201,700	188,050	121,070	79,950	-	-	-	5,200	-
Waddell & Reed Investment Management Co.	325,000	-	-	-	244,740	-	-	-	254,265	-
Wagner Investment Management, Inc.	-	300	-	-	-	-	-	-	-	-
Wall Street Associates (US)	8,000	-	-	10,000	-	-	-	-	-	-
Walnut Asset Management LLC	-	-	-	-	-	-	60,920	-	-	-
Washington Capital Management, Inc.	-	44,725	-	-	-	-	-	-	-	-
Washington Trust Bank	-	-	8,445	320	835	1,370	518	8,080	2,970	-
Waters Parkerson & Co., Inc.	-	-	-	-	-	103,765	4,325	940	27,635	-
WB Capital Management, Inc.	-	21,475	62	204,988	-	-	-	-	-	-
WCM Investment Management	-	-	-	-	-	-	300	-	-	-
Webster Financial Advisors	-	5,900	-	-	-	-	-	-	10,479	-
Wedgewood Investors, Inc.	-	-	-	-	5,200	-	-	-	-	-

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USCA5 7047

Exhibit 12

Quarter Ended	9/30/1999	12/31/1999	3/31/2000	6/30/2000	9/30/2000	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
Weintraub Capital Management LLC	-	-	-	70,000	-	-	-	-	-	-
Weisberg & Fields, Inc.	-	-	-	-	-	-	-	-	-	-
Welch & Forbes LLC	6,540	-	-	-	-	-	-	-	-	-
Wellington Management Co. LLP	-	1,047,900	48,700	1,000	3,108	-	100	-	-	-
Wells Capital Management, Inc.	52,805	15,830	103,300	-	-	-	280	-	-	-
Wells Fargo Bank N.A.	36,541	-	172,328	355,807	99,115	-	85,100	-	525	-
Wells Fargo Investments LLC	-	11,985	-	-	133,730	-	197,605	74,870	-	19,542,790
WesBanco Bank Wheeling	945	-	-	-	-	-	98,007	11,253	-	-
Westfield Capital Management Co. LLC	-	109,470	298,830	-	100	-	-	17,017	7,284	32,178
Westpeak Global Advisors LP	1,000	11,800	9,000	-	250	-	2,524	-	-	-
William Blair Capital Management LLC	11,628	-	-	-	-	200	-	-	-	-
Williams, Jones & Associates, Inc.	5,300	-	-	-	-	366	900	-	-	1,200
Wilmington Trust FSB	1,000	4,132	1,498	82	8	-	1,285	2,240	216,160	-
Wilmington Trust Investment Management LLC	-	-	-	4,145	363	2,647	-	-	-	-
Wilmington Trust of Pennsylvania	2,900	2,110	-	-	-	-	2,469	-	-	27,400
WilsonBennett Capital Management, Inc.	-	-	-	2,611	500	3,895	38,045	-	12,028	-
Winslow Capital Management, Inc.	-	-	200,000	-	-	-	1,000	1,820	17,408	-
WIP Asset Management Oy	-	-	-	-	-	-	-	-	6,058	2,945
Wisconsin Capital Management LLC	-	-	44,900	27,360	18,000	62,800	5,100	-	-	-
Woodley Farra Manion Portfolio Management, Inc	-	-	-	-	-	-	-	-	2,000	-
Woodmont Investment Counsel LLC	-	-	-	-	-	-	-	-	61,691	-
Woodstock Corp.	-	-	-	-	2,000	89,865	875	-	-	190
Wright Investors Service, Inc.	26,950	-	-	-	-	-	-	-	-	-
Wyper Capital Management	-	-	11,825	-	-	-	240,000	-	-	-
Zions First National Bank	-	-	-	-	29,000	-	-	8,140	-	-
Zuercher Kantonalbank /Invt Mgmt	-	-	-	-	-	-	49,000	-	-	-

USCA5 7048

Exhibit 13

Exhibit 13

Halliburton's Stock Price and a Summary of the Events Related to the Disclosures

Not split-adjusted. 6/3/1999-12/7/2001

Source: FactSet Research Systems, Inc.
Returns listed in this Exhibit for days of partial disclosures are the company-specific returns.

SA88
App. 193
USCA5 7050

Exhibit 14

Exhibit 14

Market and Industry Indices are indexed to the price of HAL on December 10, 2001 ($14.00)
Source: FactSet Research Systems, Inc.; CRSP

Exhibit 15

Exhibit 15

Halliburton (HAL)

Regression Model Output

Summary Output

Regression Statistics	
Multiple R-Square	0.76925
Standard Error	0.01725
Observations	252
Durbin-Watson Statistic	2.18

ANOVA

	df	SS	MS	FStat	Significance F
Regression	2	0.24695	0.12348	415.052	5.13392E-80
Residual	249	0.07408	0.00030		
Total	251	0.32103			

Equation

	Coefficient	Standard Error	tStat	P-Value	Lower 95%	Upper 95%
Regression	0.00115	0.00109	1.05096	0.29430	-0.00100	0.00329
NAN	0.90049	0.09526	9.45264	2.55969E-18	0.71287	1.08812
Industry Index Residual	1.03256	0.03794	27.21675	1.41114E-76	0.95784	1.10728

Regression Period: 10/1/1998 - 9/30/1999

Industry Composition: Market Cap Weighted Index Comprised Of Statistically Significant Companies In Oilfield Services Industry

*Prediction Equation -- Halliburton Predicted Return = 0.00115 + (0.90049 * NAN Return) + (1.03256 * Industry Index Residual Return)*

Exhibit 16

Exhibit 16

Halliburton (HAL)

Companies Considered for Industry Index

Ticker/ID	Company	Pricing in Class and Control Period	T-Stat	Statistically Significant	Party to Securities Class Action Lawsuit in Class or Control Period	Included in Industry Index
SLB	Schlumberger	Yes	22.680	Yes	No	Yes
NE	Noble Corp	Yes	18.979	Yes	No	Yes
DO	Diamond Offshore Drilling Inc	Yes	18.758	Yes	No	Yes
RDC	Rowan Companies	Yes	18.545	Yes	No	Yes
BJS	BJ Services Co	Yes	18.489	Yes	No	Yes
BHI	Baker Hughes Inc	Yes	18.267	Yes	No. Lawsuit was dismissed.	Yes
TDW	Tidewater Inc	Yes	17.880	Yes	No	Yes
RIG	Transocean Inc	Yes	17.871	Yes	No	Yes
CAM	Cameron International Corp	Yes	17.537	Yes	No	Yes
ESV	ENSCO International Inc	Yes	17.410	Yes	No	Yes
WFT	Weatherford International	Yes	17.379	Yes	No	Yes
SII	Smith International	Yes	16.956	Yes	No	Yes
HP	Helmerich & Payne Inc	Yes	16.101	Yes	No	Yes
NBR	Nabors Industries Ltd	Yes	15.727	Yes	No. Lawsuit concerning wholly-owned subsidiary was prior to class and control period.	Yes
PDE	Pride International Inc	Yes	13.958	Yes	No	Yes
GSF	GlobalSantaFe Corp	Yes	13.815	Yes	No	Yes
PKD	Parker Drilling Company	Yes	13.281	Yes	No	Yes
ATW	Atwood Oceanics	Yes	12.705	Yes	No	Yes
GLBL	Global Industries Ltd	Yes	12.303	Yes	No	Yes
NOV	National Oilwell Varco Inc	Yes	11.517	Yes	No	Yes
MDR	McDermott International Inc	Yes	11.271	Yes	No. Lawsuit was dismissed.	Yes
PTEN	Patterson-UTI Energy Inc	Yes	10.826	Yes	No	Yes
PDS	Precision Drilling Corp.	Yes	9.844	Yes	No	Yes
GW	Grey Wolf	Yes	9.650	Yes	No	Yes
VTS	Veritas DGC	Yes	9.595	Yes	No	Yes
FGHLQ	Friede Goldman Halter Inc.	Yes	9.541	Yes	No	Yes
DRQ	Dril-Quip Inc	Yes	9.439	Yes	No	Yes
PGOGY	Petroleum Geo Services ASA	Yes	9.040	Yes	No	Yes
VRC	Varco International	Yes	8.683	Yes	No	Yes
IO	Input/Output Inc	Yes	8.579	Yes	No	Yes
CKH	SEACOR Holdings Inc	Yes	8.579	Yes	No	Yes
SPN	Superior Energy Services	Yes	8.314	Yes	No	Yes
MVK	Maverick Tube Corp	Yes	7.541	Yes	No	Yes
ESI	Ensign Resource Services Group	Yes	7.333	Yes	No	Yes
OII	Oceaneering International Inc	Yes	7.317	Yes	No	Yes
BWG	Bouygues Offshore S.A.	Yes	7.276	Yes	No	Yes
NR	Newpark Resources	Yes	7.072	Yes	No	Yes
19238410	Coflexip Stena Offshore ADR	Yes	7.001	Yes	No	Yes
CRR	Carbo Ceramics Inc.	Yes	6.860	Yes	No	Yes
UNT	Unit Corp	Yes	6.123	Yes	No	Yes
TCSMQ	TransCoastal Marine Services	Yes	6.067	Yes	No	Yes
BRS	Bristow Group Inc	Yes	5.927	Yes	No	Yes
KEGS	Key Energy Services Inc	Yes	5.694	Yes	No	Yes

Exhibit 16

Halliburton (HAL)

Companies Considered for Industry Index

Ticker/ID	Company	Pricing in Class and Control Period	T-Stat	Statistically Significant	Party to Securities Class Action Lawsuit in Class or Control Period	Included in Industry Index
MIND	Mitcham Industries	Yes	4.778	Yes	No. Lawsuit was prior to class and control period.	Yes
HLX	Helix Energy Solutions Group Inc	Yes	4.439	Yes	No	Yes
GMRK	GulfMark Offshore Inc	Yes	4.158	Yes	No	Yes
CLB	Core Laboratories	Yes	3.910	Yes	No. Lawsuit was dismissed.	Yes
LSS	Lone Star Technologies Inc	Yes	3.809	Yes	No	Yes
TESO	Tesco Corp.	Yes	3.581	Yes	No	Yes
CGV	CGG Veritas ADR	Yes	2.363	Yes	No	Yes
DWSN	Dawson Geophysical Co	Yes	2.232	Yes	No	Yes
SNSAY	Stolt Comex Seaway	Yes	2.121	Yes	No	Yes
SELA	Seitel	Yes	6.081	Yes	Yes. Lawsuit is pending decision with a class period ranging from 7/13/00 - 4/1/02.	No
EFX	Enerflex Systems	Yes	1.400	No	No	No
037754	Northgate	Yes	0.869	No	No	No
RES	RPC Inc	Yes	0.518	No	No	No
69900J10	Paradigm Geophysical	Yes	0.362	No	No	No
TTI	Tetra Technologies Inc	Yes	0.127	No	No	No
COD	Chiles Offshore Inc.	No				No
EGEOQ	Eagle Geophysical	No				No
GLM	Global Marine Inc.	No				No
HC	Hanover Compressor Co	No				No
HMAR	Hvide Marine	No				No
MRL	Marine Drilling Companies	No				No
PLA	Plains Energy Services	No				No
FLC	R&B Falcon Corp.	No				No
TBI	Tuboscope Inc.	No				No
UTI	UTI Energy	No				No
FTI	FMC Technologies	No				No
GRP	Grant Prideco	No				No
HLX	Halter Marine	No				No
TMAR	Trico Marine Services	No				No

Exhibit 17

Exhibit 17

Halliburton (HAL)

Actual v. Predicted Returns

*Prediction Equation -- HAL = 0.00115 + (0.90049 * NAN) + (1.03256 * Industry Index Residual)*

Residual Return = (1 + Actual Return) / (1 + Predicted Return) - 1

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig (****)
6/3/1999	3.313%	0.142%	1.863%	2.166%	1.123%	0.0172	0.665	
6/4/1999	0.292%	2.006%	-1.138%	0.746%	-0.451%	0.0172	-0.264	
6/7/1999	3.343%	0.714%	1.724%	2.538%	0.785%	0.0172	0.467	
6/8/1999	-2.250%	-1.192%	-0.835%	-1.821%	-0.437%	0.0172	-0.249	
6/9/1999	0.144%	0.166%	-0.343%	0.090%	0.234%	0.0172	0.135	
6/10/1999	0.862%	-1.167%	1.718%	0.837%	0.025%	0.0172	0.014	
6/11/1999	4.986%	-0.768%	3.159%	2.685%	2.240%	0.0172	1.334	
6/14/1999	0.271%	-0.458%	0.259%	-0.031%	0.302%	0.0172	0.175	
6/15/1999	3.789%	0.529%	2.495%	3.167%	0.603%	0.0172	0.361	
6/16/1999	-4.694%	2.229%	-4.918%	-2.956%	-1.790%	0.0172	-1.007	
6/17/1999	4.241%	0.734%	1.835%	2.671%	1.529%	0.0172	0.910	
6/18/1999	-3.675%	0.234%	0.079%	0.407%	-4.065%	0.0172	-2.366	****
6/21/1999	-4.496%	0.629%	-4.036%	-3.487%	-1.046%	0.0172	-0.585	
6/22/1999	-3.994%	-0.895%	2.160%	-2.922%	-1.105%	0.0172	-0.622	
6/23/1999	0.297%	-0.127%	1.048%	1.082%	-0.777%	0.0172	-0.455	
6/24/1999	-2.519%	-1.269%	-2.172%	-3.271%	0.778%	0.0172	0.436	
6/25/1999	-1.824%	-0.044%	-0.395%	-0.332%	-1.496%	0.0172	-0.865	
6/28/1999	3.096%	1.236%	1.108%	0.084%	3.010%	0.0172	1.746	
6/29/1999	4.204%	1.475%	1.931%	3.437%	0.742%	0.0172	0.445	
6/30/1999	4.323%	1.595%	2.914%	4.560%	-0.227%	0.0172	-0.138	
7/1/1999	-3.315%	0.558%	-3.184%	-2.670%	-0.662%	0.0172	-0.374	
7/2/1999	1.714%	0.742%	0.625%	1.428%	0.282%	0.0172	0.166	
7/6/1999	1.685%	-0.064%	1.062%	1.154%	0.525%	0.0172	0.308	
7/7/1999	-2.486%	0.237%	-2.440%	-2.191%	-0.302%	0.0172	-0.171	
7/8/1999	3.541%	0.035%	3.377%	3.633%	-0.089%	0.0172	-0.053	
7/9/1999	0.547%	0.553%	0.604%	1.237%	-0.681%	0.0172	-0.400	
7/12/1999	2.857%	-0.214%	2.118%	2.109%	0.733%	0.0172	0.434	
7/13/1999	-1.587%	-0.373%	0.298%	-0.530%	-1.063%	0.0172	-0.613	
7/14/1999	1.478%	0.461%	-0.221%	0.301%	1.174%	0.0172	0.683	
7/15/1999	0.795%	0.842%	-0.423%	0.436%	0.357%	0.0172	0.208	
7/16/1999	-2.234%	0.493%	-1.359%	-0.844%	-1.402%	0.0172	-0.806	
7/19/1999	-1.613%	-0.786%	-0.356%	-0.961%	-0.658%	0.0172	-0.378	
7/20/1999	-5.328%	-2.167%	-2.034%	-3.937%	-1.448%	0.0172	-0.807	
7/21/1999	3.752%	0.278%	1.242%	1.648%	2.069%	0.0172	1.219	
7/22/1999	-2.086%	-1.289%	0.062%	-0.981%	-1.116%	0.0172	-0.641	
7/23/1999	0.142%	-0.299%	1.267%	1.154%	-1.001%	0.0172	-0.587	
7/26/1999	-1.702%	-0.985%	-0.796%	-1.594%	-0.109%	0.0172	-0.062	
7/27/1999	0.577%	1.125%	-1.619%	-0.543%	1.127%	0.0172	0.650	
7/28/1999	4.304%	0.162%	1.797%	2.116%	2.142%	0.0172	1.268	
7/29/1999	2.338%	-1.702%	2.962%	1.641%	0.687%	0.0172	0.405	
7/30/1999	-0.806%	-0.677%	1.162%	0.705%	-1.501%	0.0172	-0.876	
8/2/1999	0.813%	-0.246%	-1.803%	-1.968%	1.178%	0.0172	0.670	
8/3/1999	2.322%	-0.752%	0.869%	0.335%	1.981%	0.0172	1.152	
8/4/1999	2.003%	-1.413%	3.520%	2.477%	-0.463%	0.0172	-0.275	
8/5/1999	5.759%	0.622%	3.109%	3.886%	1.803%	0.0172	1.086	
8/6/1999	-2.351%	-0.973%	0.382%	-0.367%	-1.991%	0.0172	-1.150	
8/9/1999	4.309%	-0.391%	6.516%	6.491%	-2.048%	0.0172	-1.265	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
8/10/1999	-2.309%	-1.133%	0.379%	-0.515%	-1.803%	0.0172	-1.040	
8/11/1999	-0.498%	1.611%	-0.402%	1.151%	-1.629%	0.0172	-0.955	
8/12/1999	-1.750%	-0.111%	-0.527%	-0.529%	-1.227%	0.0172	-0.708	
8/13/1999	-2.417%	2.188%	-3.056%	-1.071%	-1.361%	0.0172	-0.781	
8/16/1999	-0.652%	0.266%	-1.639%	-1.338%	0.695%	0.0172	0.398	
8/17/1999	2.362%	0.971%	2.259%	3.322%	-0.929%	0.0172	-0.556	
8/18/1999	-2.436%	-0.720%	-1.258%	-1.832%	-0.615%	0.0172	-0.350	
8/19/1999	1.708%	-0.746%	2.268%	1.785%	-0.075%	0.0172	-0.044	
8/20/1999	-0.775%	0.885%	-0.477%	0.419%	-1.189%	0.0172	-0.692	
8/23/1999	0.000%	1.744%	-0.106%	1.576%	-1.552%	0.0172	-0.914	
8/24/1999	-3.125%	0.186%	-1.796%	-1.572%	-1.577%	0.0172	-0.900	
8/25/1999	-3.226%	1.199%	-5.166%	-4.140%	0.954%	0.0172	0.530	
8/26/1999	0.417%	-1.140%	0.619%	-0.272%	0.691%	0.0172	0.400	
8/27/1999	0.553%	-0.954%	0.876%	-0.046%	0.600%	0.0172	0.348	
8/30/1999	-1.788%	-1.734%	0.107%	-1.337%	-0.457%	0.0172	-0.262	
8/31/1999	4.062%	-0.135%	3.000%	3.091%	0.942%	0.0172	0.563	
9/1/1999	-0.943%	0.764%	-1.535%	-0.783%	-0.162%	0.0172	-0.093	
9/2/1999	-1.361%	-0.832%	-1.248%	-1.924%	0.574%	0.0172	0.327	
9/3/1999	1.517%	2.814%	-1.412%	1.191%	0.322%	0.0172	0.189	
9/7/1999	5.027%	-0.317%	4.303%	4.272%	0.724%	0.0172	0.438	
9/8/1999	-0.906%	-0.517%	-0.453%	-0.819%	-0.087%	0.0172	-0.050	
9/9/1999	6.005%	0.321%	4.518%	5.069%	0.891%	0.0172	0.543	
9/10/1999	1.355%	0.451%	-0.561%	-0.058%	1.414%	0.0172	0.819	
9/13/1999	-2.187%	-0.607%	-0.310%	-0.751%	-1.447%	0.0172	-0.832	
9/14/1999	-2.484%	-0.511%	-3.615%	-4.079%	1.662%	0.0172	0.924	
9/15/1999	-3.439%	-1.234%	-0.164%	-1.166%	-2.300%	0.0172	-1.318	
9/16/1999	0.396%	-0.184%	0.591%	0.558%	-0.162%	0.0172	-0.094	
9/17/1999	-0.131%	1.209%	-0.448%	0.741%	-0.866%	0.0172	-0.506	
9/20/1999	-5.263%	0.014%	-3.639%	-3.630%	-1.695%	0.0172	-0.947	
9/21/1999	-5.556%	-1.886%	-1.884%	-3.529%	-2.101%	0.0172	-1.175	
9/22/1999	0.588%	0.285%	-1.489%	-1.166%	1.775%	0.0172	1.017	
9/23/1999	-1.462%	-2.280%	1.023%	-0.882%	-0.585%	0.0172	-0.336	
9/24/1999	-3.412%	-0.185%	-1.636%	-1.741%	-1.701%	0.0172	-0.969	
9/27/1999	1.843%	0.432%	0.158%	0.667%	1.169%	0.0172	0.682	
9/28/1999	-5.732%	-0.217%	-4.123%	-4.338%	-1.457%	0.0172	-0.808	
9/29/1999	4.320%	-0.761%	4.386%	3.958%	0.348%	0.0172	0.210	
9/30/1999	0.613%	0.926%	-0.485%	0.447%	0.165%	0.0172	0.096	
10/1/1999	1.982%	-0.147%	0.632%	0.634%	1.339%	0.0173	0.780	
10/4/1999	-4.933%	1.662%	-3.730%	-2.241%	-2.753%	0.0174	-1.547	
10/5/1999	-13.208%	-0.080%	-4.517%	-4.622%	-9.002%	0.0174	-4.943	****
10/6/1999	2.717%	1.808%	-1.317%	0.383%	2.325%	0.0174	1.344	
10/7/1999	-4.233%	-0.463%	-2.165%	-2.537%	-1.740%	0.0173	-0.980	
10/8/1999	0.552%	1.095%	-3.487%	-2.499%	3.130%	0.0174	1.758	
10/11/1999	6.044%	0.229%	6.558%	7.092%	-0.979%	0.0175	-0.600	
10/12/1999	1.382%	-1.680%	0.770%	-0.603%	1.997%	0.0174	1.143	
10/13/1999	1.022%	-1.996%	2.517%	0.917%	0.105%	0.0174	0.061	
10/14/1999	-0.843%	-0.015%	-2.194%	-2.164%	1.350%	0.0173	0.763	
10/15/1999	-5.782%	-2.591%	-0.066%	-2.286%	-3.578%	0.0175	-2.001	****
10/18/1999	-2.166%	0.098%	-2.179%	-2.047%	-0.121%	0.0173	-0.069	
10/19/1999	1.661%	0.765%	1.891%	2.756%	-1.066%	0.0173	-0.633	
10/20/1999	3.811%	1.846%	0.261%	2.046%	1.730%	0.0174	1.017	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
10/21/1999	4.196%	-0.145%	1.398%	1.427%	2.730%	0.0173	1.601	
10/22/1999	3.691%	1.320%	2.236%	3.612%	0.076%	0.0173	0.046	
10/25/1999	0.971%	-0.410%	-0.819%	-1.099%	2.093%	0.0173	1.197	
10/26/1999	-1.763%	-0.817%	-1.249%	-1.911%	0.151%	0.0173	0.086	
10/27/1999	-3.426%	0.897%	-0.794%	0.103%	-3.525%	0.0173	-2.039	****
10/28/1999	0.169%	3.292%	-4.744%	-1.819%	2.025%	0.0176	1.127	
10/29/1999	1.686%	1.747%	0.520%	2.224%	-0.526%	0.0174	-0.310	
11/1/1999	2.819%	-0.346%	2.050%	1.920%	0.882%	0.0173	0.520	
11/2/1999	-4.032%	-0.298%	-2.828%	-3.073%	-0.990%	0.0173	-0.554	
11/3/1999	0.000%	0.700%	-0.318%	0.417%	-0.416%	0.0173	-0.241	
11/4/1999	-1.176%	0.664%	-1.743%	-1.088%	-0.090%	0.0173	-0.051	
11/5/1999	-3.231%	0.783%	-4.729%	-4.063%	0.867%	0.0174	0.478	
11/8/1999	6.151%	0.597%	4.371%	5.166%	0.937%	0.0174	0.567	
11/9/1999	4.305%	-0.754%	4.846%	4.439%	-0.129%	0.0174	-0.077	
11/10/1999	1.270%	0.538%	1.547%	2.196%	-0.906%	0.0173	-0.535	
11/11/1999	-2.508%	0.376%	-3.128%	-2.777%	0.277%	0.0173	0.155	
11/12/1999	7.235%	1.102%	2.999%	4.203%	2.909%	0.0173	1.748	
11/15/1999	3.148%	0.039%	3.352%	3.612%	-0.447%	0.0173	-0.267	
11/16/1999	-1.017%	1.832%	-0.602%	1.143%	-2.137%	0.0174	-1.245	
11/17/1999	3.671%	-0.604%	4.776%	4.502%	-0.795%	0.0174	-0.478	
11/18/1999	-2.975%	1.127%	-3.878%	-2.875%	-0.103%	0.0174	-0.058	
11/19/1999	-1.752%	-0.084%	-0.429%	-0.403%	-1.354%	0.0173	-0.780	
11/22/1999	-1.783%	0.023%	-1.231%	-1.135%	-0.656%	0.0173	-0.375	
11/23/1999	-0.908%	-1.263%	-2.816%	-3.930%	3.146%	0.0174	1.741	
11/24/1999	0.305%	0.879%	-0.070%	0.833%	-0.524%	0.0173	-0.305	
11/26/1999	-2.435%	0.240%	-1.465%	-1.182%	-1.268%	0.0173	-0.725	
11/29/1999	-3.588%	-0.584%	-3.052%	-3.563%	-0.027%	0.0173	-0.015	
11/30/1999	0.162%	-1.236%	0.834%	-0.137%	0.299%	0.0173	0.173	
12/1/1999	6.472%	0.495%	4.629%	5.340%	1.075%	0.0174	0.652	
12/2/1999	-3.951%	1.147%	-2.539%	-1.474%	-2.514%	0.0173	-1.429	
12/3/1999	-2.690%	1.592%	-4.153%	-2.740%	0.052%	0.0174	0.029	
12/6/1999	-3.577%	-0.397%	-2.542%	-2.867%	-0.731%	0.0173	-0.410	
12/7/1999	-4.047%	-0.403%	-2.397%	-2.723%	-1.361%	0.0173	-0.765	
12/8/1999	4.042%	-0.064%	3.581%	3.754%	0.278%	0.0173	0.166	
12/9/1999	-2.365%	0.317%	-4.208%	-3.945%	1.645%	0.0174	0.911	
12/10/1999	-3.287%	0.514%	-3.616%	-3.157%	-0.135%	0.0173	-0.075	
12/13/1999	-1.073%	0.071%	-1.827%	-1.708%	0.646%	0.0173	0.367	
12/14/1999	1.447%	-1.291%	3.010%	2.060%	-0.601%	0.0174	-0.353	
12/15/1999	6.061%	0.548%	4.144%	4.886%	1.120%	0.0174	0.676	
12/16/1999	-0.168%	0.597%	0.191%	0.849%	-1.009%	0.0173	-0.589	
12/17/1999	-1.010%	0.316%	-1.783%	-1.442%	0.438%	0.0173	0.250	
12/20/1999	-2.721%	-0.037%	-1.167%	-1.124%	-1.615%	0.0173	-0.924	
12/21/1999	4.021%	1.441%	0.739%	2.175%	1.807%	0.0173	1.065	
12/22/1999	3.025%	0.341%	1.369%	1.835%	1.168%	0.0173	0.688	
12/23/1999	2.610%	1.306%	3.083%	4.474%	-1.784%	0.0174	-1.074	
12/27/1999	0.477%	-0.180%	0.735%	0.711%	-0.233%	0.0173	-0.136	
12/28/1999	0.949%	0.225%	0.375%	0.705%	0.242%	0.0173	0.141	
12/29/1999	0.940%	0.662%	1.764%	2.532%	-1.553%	0.0173	-0.920	
12/30/1999	-3.727%	0.095%	-3.421%	-3.332%	-0.408%	0.0173	-0.228	
12/31/1999	3.871%	0.542%	4.998%	5.763%	-1.789%	0.0174	-1.088	
1/3/2000	-4.814%	-0.683%	-3.511%	-4.126%	-0.717%	0.0173	-0.396	

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Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
1/4/2000	0.489%	-3.991%	1.186%	-2.255%	2.807%	0.0177	1.548	
1/5/2000	-4.383%	-0.070%	-0.145%	-0.098%	-4.289%	0.0173	-2.479	****
1/6/2000	4.075%	-0.689%	5.944%	5.632%	-1.475%	0.0174	-0.893	
1/7/2000	6.199%	3.194%	1.058%	4.083%	2.033%	0.0175	1.207	
1/10/2000	-3.994%	1.757%	-1.788%	-0.149%	-3.851%	0.0174	-2.214	****
1/11/2000	3.680%	-1.663%	3.390%	2.117%	1.531%	0.0174	0.898	
1/12/2000	-6.790%	-0.665%	-2.714%	-3.287%	-3.622%	0.0173	-2.022	****
1/13/2000	1.325%	1.586%	1.887%	3.491%	-2.093%	0.0174	-1.248	
1/14/2000	0.817%	1.150%	0.450%	1.615%	-0.785%	0.0173	-0.461	
1/18/2000	8.104%	-0.220%	6.505%	6.633%	1.379%	0.0175	0.842	
1/19/2000	1.199%	0.467%	-0.588%	-0.072%	1.272%	0.0173	0.735	
1/20/2000	-3.259%	-0.340%	-1.976%	-2.232%	-1.051%	0.0173	-0.594	
1/21/2000	3.828%	0.256%	2.544%	2.972%	0.832%	0.0173	0.495	
1/24/2000	-5.900%	-2.541%	-1.467%	-3.688%	-2.297%	0.0175	-1.266	
1/25/2000	0.313%	0.504%	-0.600%	-0.051%	0.365%	0.0173	0.211	
1/26/2000	-3.281%	-0.409%	-1.407%	-1.707%	-1.602%	0.0173	-0.910	
1/27/2000	-3.069%	-0.407%	-2.691%	-3.030%	-0.041%	0.0173	-0.023	
1/28/2000	-4.500%	-2.773%	-0.352%	-2.746%	-1.803%	0.0175	-1.002	
1/31/2000	0.873%	1.491%	0.575%	2.050%	-1.154%	0.0173	-0.679	
2/1/2000	0.692%	1.291%	2.479%	3.837%	-3.029%	0.0173	-1.813	
2/2/2000	2.062%	0.183%	-0.997%	-0.749%	2.833%	0.0173	1.626	
2/3/2000	0.673%	1.490%	-1.504%	-0.097%	0.771%	0.0173	0.444	
2/4/2000	-1.505%	-0.026%	-1.888%	-1.858%	0.360%	0.0173	0.204	
2/7/2000	1.528%	0.359%	1.620%	2.111%	-0.571%	0.0173	-0.337	
2/8/2000	-1.338%	1.242%	-3.451%	-2.330%	1.016%	0.0174	0.571	
2/9/2000	-3.729%	-1.783%	-2.307%	-3.873%	0.150%	0.0174	0.083	
2/10/2000	-0.176%	0.583%	4.373%	5.155%	-5.070%	0.0174	-3.070	****
2/11/2000	-3.351%	-1.707%	1.205%	-0.178%	-3.179%	0.0174	-1.826	
2/14/2000	4.927%	0.247%	3.412%	3.861%	1.027%	0.0173	0.615	
2/15/2000	7.130%	0.710%	4.486%	5.386%	1.655%	0.0174	1.004	
2/16/2000	1.623%	-0.549%	1.047%	0.701%	0.916%	0.0173	0.533	
2/17/2000	-1.597%	0.475%	-0.666%	-0.145%	-1.455%	0.0173	-0.840	
2/18/2000	-4.708%	-2.639%	-0.288%	-2.558%	-2.206%	0.0175	-1.230	
2/22/2000	-3.237%	0.126%	-2.053%	-1.892%	-1.370%	0.0173	-0.777	
2/23/2000	-3.345%	1.249%	-1.945%	-0.769%	-2.596%	0.0173	-1.486	
2/24/2000	3.279%	0.029%	3.820%	4.085%	-0.775%	0.0173	-0.465	
2/25/2000	-4.938%	-0.994%	-0.576%	-1.375%	-3.613%	0.0173	-2.058	****
2/28/2000	3.896%	0.764%	2.086%	2.957%	0.912%	0.0173	0.543	
2/29/2000	9.286%	1.965%	4.284%	6.307%	2.802%	0.0174	1.707	
3/1/2000	7.201%	1.394%	5.091%	6.626%	0.539%	0.0174	0.330	
3/2/2000	3.053%	-0.067%	4.049%	4.235%	-1.134%	0.0174	-0.681	
3/3/2000	-3.111%	2.289%	-4.193%	-2.154%	-0.979%	0.0175	-0.548	
3/6/2000	0.917%	-0.728%	1.943%	1.466%	-0.541%	0.0173	-0.317	
3/7/2000	7.879%	-2.147%	7.337%	5.757%	2.006%	0.0176	1.203	
3/8/2000	-10.393%	0.692%	-7.766%	-7.281%	-3.357%	0.0175	-1.774	
3/9/2000	0.627%	2.440%	-1.976%	0.271%	0.355%	0.0174	0.204	
3/10/2000	-1.402%	-0.395%	0.750%	0.534%	-1.926%	0.0173	-1.120	
3/13/2000	-1.738%	-1.447%	1.252%	0.104%	-1.839%	0.0174	-1.061	
3/14/2000	-1.125%	-2.275%	0.547%	-1.369%	0.247%	0.0174	0.140	
3/15/2000	-1.463%	0.836%	-3.933%	-3.194%	1.787%	0.0174	0.997	
3/16/2000	3.960%	4.215%	1.832%	5.802%	-1.741%	0.0177	-1.038	

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Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
3/17/2000	-2.540%	0.639%	-2.580%	-1.974%	-0.577%	0.0173	-0.327	
3/20/2000	-5.700%	-1.655%	-2.626%	-4.087%	-1.682%	0.0174	-0.927	
3/21/2000	3.627%	1.944%	1.730%	3.652%	-0.024%	0.0174	-0.014	
3/22/2000	3.167%	1.322%	4.652%	6.109%	-2.773%	0.0174	-1.690	
3/23/2000	-2.100%	1.494%	-1.142%	0.281%	-2.375%	0.0173	-1.373	
3/24/2000	2.970%	0.126%	1.709%	1.992%	0.959%	0.0173	0.565	
3/27/2000	-2.244%	-0.359%	0.538%	0.347%	-2.582%	0.0173	-1.498	
3/28/2000	-1.148%	-1.304%	-1.311%	-2.413%	1.297%	0.0173	0.730	
3/29/2000	6.799%	-0.957%	6.316%	5.775%	0.969%	0.0175	0.586	
3/30/2000	0.776%	-1.714%	-0.244%	-1.681%	2.499%	0.0174	1.415	
3/31/2000	1.387%	1.201%	-0.393%	0.790%	0.592%	0.0173	0.344	
4/3/2000	3.343%	-1.626%	4.457%	3.253%	0.088%	0.0174	0.052	
4/4/2000	-5.882%	-1.193%	-3.742%	-4.824%	-1.112%	0.0174	-0.609	
4/5/2000	-5.000%	0.051%	-4.821%	-4.818%	-0.192%	0.0174	-0.105	
4/6/2000	3.125%	1.501%	0.303%	1.779%	1.322%	0.0173	0.776	
4/7/2000	1.116%	1.434%	-1.401%	-0.041%	1.158%	0.0173	0.667	
4/10/2000	-3.312%	-1.906%	-4.379%	-6.123%	2.994%	0.0175	1.609	
4/11/2000	4.894%	-0.985%	5.355%	4.757%	0.131%	0.0174	0.079	
4/12/2000	1.555%	-2.898%	3.918%	1.550%	0.005%	0.0176	0.003	
4/13/2000	-3.675%	-1.758%	-2.209%	-3.750%	0.077%	0.0174	0.043	
4/14/2000	-1.113%	-6.617%	2.488%	-3.275%	2.235%	0.0185	1.171	
4/17/2000	-1.125%	2.913%	-5.182%	-2.613%	1.528%	0.0176	0.845	
4/18/2000	8.456%	3.838%	3.355%	7.035%	1.327%	0.0177	0.803	
4/19/2000	-0.600%	-0.789%	0.125%	-0.467%	-0.134%	0.0173	-0.077	
4/20/2000	1.961%	0.119%	1.473%	1.743%	0.214%	0.0173	0.126	
4/24/2000	-1.479%	-0.969%	0.798%	0.066%	-1.544%	0.0173	-0.892	
4/25/2000	0.300%	3.745%	-3.719%	-0.353%	0.656%	0.0177	0.369	
4/26/2000	4.491%	-1.182%	2.695%	1.834%	2.610%	0.0174	1.531	
4/27/2000	4.298%	0.782%	2.085%	2.971%	1.289%	0.0173	0.766	
4/28/2000	-2.885%	0.119%	-0.554%	-0.350%	-2.543%	0.0173	-1.466	
5/1/2000	0.141%	1.427%	-1.005%	0.362%	-0.219%	0.0173	-0.127	
5/2/2000	7.062%	-2.010%	4.819%	3.280%	3.662%	0.0175	2.162	****
5/3/2000	-4.485%	-2.050%	-1.863%	-3.655%	-0.862%	0.0174	-0.477	
5/4/2000	3.867%	0.027%	2.520%	2.741%	1.096%	0.0173	0.651	
5/5/2000	-0.266%	1.494%	0.630%	2.110%	-2.327%	0.0173	-1.371	
5/8/2000	3.200%	-0.957%	1.115%	0.404%	2.785%	0.0173	1.615	
5/9/2000	1.163%	-1.155%	1.866%	1.001%	0.160%	0.0173	0.093	
5/10/2000	0.511%	-2.639%	0.373%	-1.877%	2.433%	0.0175	1.366	
5/11/2000	2.414%	2.073%	0.621%	2.623%	-0.203%	0.0174	-0.120	
5/12/2000	-0.574%	0.805%	0.958%	1.828%	-2.359%	0.0173	-1.389	
5/15/2000	2.948%	2.122%	1.323%	3.392%	-0.429%	0.0174	-0.255	
5/16/2000	-0.121%	1.305%	-2.800%	-1.602%	1.505%	0.0174	0.853	
5/17/2000	-0.971%	-1.330%	2.850%	1.860%	-2.779%	0.0174	-1.630	
5/18/2000	-2.696%	-1.057%	-2.684%	-3.606%	0.946%	0.0173	0.526	
5/19/2000	2.519%	-2.360%	0.668%	-1.321%	3.891%	0.0174	2.201	****
5/22/2000	-6.880%	-0.687%	-4.501%	-5.152%	-1.822%	0.0174	-0.994	
5/23/2000	2.902%	-2.321%	4.241%	2.404%	0.487%	0.0175	0.285	
5/24/2000	-0.513%	1.561%	-2.595%	-1.158%	0.653%	0.0174	0.372	
5/25/2000	-0.387%	-1.257%	0.389%	-0.616%	0.231%	0.0173	0.132	
5/26/2000	-2.975%	-0.146%	-1.947%	-2.028%	-0.967%	0.0173	-0.548	
5/30/2000	4.667%	3.782%	-2.396%	1.046%	3.583%	0.0177	2.050	****

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Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
5/31/2000	3.954%	-0.207%	4.716%	4.797%	-0.805%	0.0174	-0.485	
6/1/2000	-0.388%	2.483%	-3.141%	-0.892%	0.529%	0.0175	0.300	
6/2/2000	-4.926%	2.887%	-7.876%	-5.418%	0.520%	0.0177	0.277	
6/5/2000	-5.570%	-0.340%	-3.023%	-3.313%	-2.334%	0.0173	-1.303	
6/6/2000	6.447%	-0.834%	4.904%	4.427%	1.934%	0.0174	1.160	
6/7/2000	-2.062%	1.168%	-0.644%	0.502%	-2.551%	0.0173	-1.481	
6/8/2000	-1.842%	-0.572%	2.095%	1.762%	-3.542%	0.0173	-2.082	****
6/9/2000	-2.011%	0.067%	-1.879%	-1.764%	-0.251%	0.0173	-0.142	
6/12/2000	5.748%	-1.143%	4.596%	3.831%	1.844%	0.0174	1.100	
6/13/2000	0.259%	1.462%	-0.287%	1.135%	-0.866%	0.0173	-0.505	
6/14/2000	-1.548%	-0.134%	-0.196%	-0.208%	-1.343%	0.0173	-0.775	
6/15/2000	-2.490%	0.510%	-1.502%	-0.977%	-1.528%	0.0173	-0.875	
6/16/2000	5.242%	-0.708%	3.861%	3.464%	1.719%	0.0174	1.024	
6/19/2000	-1.916%	1.653%	-3.337%	-1.843%	-0.074%	0.0174	-0.042	
6/20/2000	-0.651%	-0.232%	-0.719%	-0.837%	0.188%	0.0173	0.108	
6/21/2000	4.325%	0.359%	4.051%	4.621%	-0.283%	0.0174	-0.170	
6/22/2000	-4.397%	-1.836%	-1.100%	-2.674%	-1.770%	0.0174	-0.991	
6/23/2000	0.000%	-0.960%	0.540%	-0.193%	0.193%	0.0173	0.111	
6/26/2000	-1.051%	0.924%	-2.059%	-1.179%	0.130%	0.0173	0.074	
6/27/2000	1.328%	-0.536%	1.040%	0.706%	0.618%	0.0173	0.360	
6/28/2000	-3.145%	0.779%	-3.022%	-2.304%	-0.861%	0.0173	-0.486	
6/29/2000	4.871%	-0.638%	2.166%	1.777%	3.041%	0.0173	1.787	
6/30/2000	-2.581%	0.704%	-0.158%	0.585%	-3.147%	0.0173	-1.831	
7/3/2000	-0.530%	0.948%	-0.719%	0.226%	-0.754%	0.0173	-0.437	
7/5/2000	-5.060%	-1.589%	-4.644%	-6.112%	1.120%	0.0174	0.603	
7/6/2000	-0.281%	0.935%	0.388%	1.357%	-1.616%	0.0173	-0.947	
7/7/2000	-1.688%	1.480%	-1.817%	-0.429%	-1.264%	0.0173	-0.726	
7/10/2000	-3.863%	-0.126%	-1.946%	-2.008%	-1.893%	0.0173	-1.072	
7/11/2000	11.310%	0.151%	7.581%	8.078%	2.990%	0.0175	1.844	
7/12/2000	-1.738%	1.345%	-1.991%	-0.730%	-1.015%	0.0173	-0.581	
7/13/2000	-1.361%	0.552%	-0.720%	-0.132%	-1.230%	0.0173	-0.710	
7/14/2000	-1.103%	0.995%	0.074%	1.087%	-2.167%	0.0173	-1.266	
7/17/2000	-4.324%	0.122%	-3.019%	-2.892%	-1.474%	0.0173	-0.826	
7/18/2000	4.665%	-1.301%	4.594%	3.687%	0.943%	0.0174	0.561	
7/19/2000	0.139%	-1.146%	0.572%	-0.327%	0.468%	0.0173	0.269	
7/20/2000	0.417%	1.374%	-1.539%	-0.238%	0.656%	0.0173	0.378	
7/21/2000	-6.371%	-1.316%	-1.968%	-3.103%	-3.373%	0.0174	-1.884	
7/24/2000	-1.331%	-1.431%	-3.026%	-4.298%	3.100%	0.0174	1.707	
7/25/2000	1.349%	0.607%	-2.177%	-1.587%	2.983%	0.0173	1.696	
7/26/2000	3.107%	-1.253%	2.870%	1.951%	1.134%	0.0174	0.666	
7/27/2000	4.161%	-0.900%	3.803%	3.231%	0.901%	0.0174	0.535	
7/28/2000	0.138%	-2.345%	2.128%	0.200%	-0.062%	0.0175	-0.036	
7/31/2000	1.513%	1.071%	-1.058%	-0.013%	1.527%	0.0173	0.882	
8/1/2000	1.491%	0.153%	2.310%	2.637%	-1.117%	0.0173	-0.663	
8/2/2000	1.602%	0.029%	2.066%	2.273%	-0.656%	0.0173	-0.388	
8/3/2000	-0.920%	1.130%	-2.695%	-1.651%	0.743%	0.0173	0.421	
8/4/2000	2.387%	0.903%	1.427%	2.401%	-0.014%	0.0173	-0.008	
8/7/2000	0.907%	1.167%	-0.303%	0.852%	0.054%	0.0173	0.031	
8/8/2000	2.311%	0.164%	0.894%	1.186%	1.112%	0.0173	0.651	
8/9/2000	5.646%	-0.518%	3.442%	3.202%	2.369%	0.0173	1.410	
8/10/2000	-0.950%	-1.010%	-0.346%	-1.152%	0.205%	0.0173	0.117	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
8/11/2000	-2.158%	0.872%	-1.547%	-0.697%	-1.471%	0.0173	-0.844	
8/14/2000	2.451%	1.253%	2.580%	3.907%	-1.401%	0.0173	-0.839	
8/15/2000	-1.555%	-0.442%	-0.330%	-0.624%	-0.937%	0.0173	-0.538	
8/16/2000	4.982%	-0.166%	3.424%	3.501%	1.431%	0.0173	0.855	
8/17/2000	-0.463%	1.148%	0.075%	1.225%	-1.668%	0.0173	-0.975	
8/18/2000	-1.977%	-0.252%	-1.184%	-1.335%	-0.651%	0.0173	-0.371	
8/21/2000	1.423%	0.392%	-0.645%	-0.198%	1.625%	0.0173	0.938	
8/22/2000	-1.637%	0.029%	0.204%	0.351%	-1.982%	0.0173	-1.151	
8/23/2000	2.497%	0.559%	2.190%	2.880%	-0.372%	0.0173	-0.221	
8/24/2000	-1.392%	0.347%	-1.842%	-1.475%	0.084%	0.0173	0.048	
8/25/2000	-0.824%	-0.031%	-0.547%	-0.478%	-0.348%	0.0173	-0.200	
8/28/2000	1.779%	0.518%	1.537%	2.169%	-0.381%	0.0173	-0.225	
8/29/2000	0.233%	-0.010%	-1.155%	-1.086%	1.334%	0.0173	0.763	
8/30/2000	-1.279%	-0.084%	-1.277%	-1.279%	0.000%	0.0173	0.000	
8/31/2000	-0.118%	1.192%	-1.054%	0.100%	-0.218%	0.0173	-0.126	
9/1/2000	1.297%	0.404%	0.754%	1.257%	0.039%	0.0173	0.023	
9/5/2000	0.000%	-0.922%	0.569%	-0.128%	0.128%	0.0173	0.074	
9/6/2000	1.981%	-1.187%	4.050%	3.228%	-1.208%	0.0174	-0.717	
9/7/2000	-2.286%	0.811%	-2.332%	-1.563%	-0.734%	0.0173	-0.417	
9/8/2000	-2.573%	-0.782%	-1.184%	-1.812%	-0.775%	0.0173	-0.440	
9/11/2000	4.202%	-0.411%	4.055%	3.932%	0.259%	0.0174	0.155	
9/12/2000	0.230%	-0.457%	0.244%	-0.045%	0.276%	0.0173	0.159	
9/13/2000	-4.023%	0.300%	-2.555%	-2.254%	-1.810%	0.0173	-1.022	
9/14/2000	-1.317%	0.025%	0.537%	0.692%	-1.995%	0.0173	-1.163	
9/15/2000	2.306%	-1.192%	2.137%	1.248%	1.045%	0.0173	0.610	
9/18/2000	-3.203%	-1.766%	-1.855%	-3.390%	0.194%	0.0174	0.108	
9/19/2000	-0.858%	1.253%	-3.236%	-2.099%	1.267%	0.0174	0.715	
9/20/2000	-3.832%	-0.395%	-1.945%	-2.249%	-1.619%	0.0173	-0.915	
9/21/2000	-2.185%	-0.519%	-1.197%	-1.589%	-0.606%	0.0173	-0.344	
9/22/2000	-1.051%	0.417%	-2.027%	-1.603%	0.561%	0.0173	0.319	
9/25/2000	-0.664%	-0.523%	0.484%	0.144%	-0.807%	0.0173	-0.467	
9/26/2000	1.872%	-0.913%	2.706%	2.087%	-0.211%	0.0173	-0.124	
9/27/2000	2.231%	-0.167%	2.141%	2.176%	0.054%	0.0173	0.032	
9/28/2000	-0.128%	2.331%	-1.814%	0.341%	-0.468%	0.0174	-0.270	
9/29/2000	0.643%	-1.219%	2.366%	1.460%	-0.805%	0.0174	-0.471	
10/2/2000	2.937%	-0.680%	2.340%	1.918%	1.000%	0.0173	0.589	
10/3/2000	-1.489%	-1.256%	0.112%	-0.901%	-0.593%	0.0173	-0.339	
10/4/2000	-6.549%	0.657%	-4.703%	-4.150%	-2.503%	0.0174	-1.380	
10/5/2000	-0.270%	-0.185%	-0.703%	-0.778%	0.513%	0.0173	0.294	
10/6/2000	-5.000%	-2.137%	0.586%	-1.204%	-3.842%	0.0174	-2.180	****
10/9/2000	0.996%	-0.362%	1.050%	0.873%	0.122%	0.0173	0.071	
10/10/2000	3.662%	-1.396%	4.262%	3.259%	0.390%	0.0174	0.231	
10/11/2000	0.951%	-1.727%	2.442%	1.081%	-0.129%	0.0174	-0.075	
10/12/2000	2.557%	-2.781%	4.004%	1.745%	0.799%	0.0176	0.463	
10/13/2000	-4.987%	3.855%	-6.398%	-3.020%	-2.028%	0.0178	-1.104	
10/16/2000	-4.558%	0.261%	-3.128%	-2.880%	-1.728%	0.0173	-0.969	
10/17/2000	0.434%	-1.913%	2.421%	0.891%	-0.453%	0.0174	-0.263	
10/18/2000	-1.153%	-0.811%	-0.003%	-0.619%	-0.537%	0.0173	-0.309	
10/19/2000	-0.146%	3.648%	-2.548%	0.768%	-0.907%	0.0176	-0.518	
10/20/2000	2.920%	0.932%	1.958%	2.975%	-0.054%	0.0173	-0.032	
10/23/2000	-6.525%	0.042%	-3.162%	-3.113%	-3.522%	0.0173	-1.970	****

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Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
10/24/2000	1.062%	-0.103%	-2.915%	-2.988%	4.175%	0.0173	2.338	****
10/25/2000	-10.961%	-2.455%	-2.496%	-4.674%	-6.596%	0.0175	-3.597	****
10/26/2000	0.169%	0.014%	0.858%	1.013%	-0.836%	0.0173	-0.489	
10/27/2000	-0.337%	0.947%	-4.480%	-3.659%	3.448%	0.0174	1.911	
10/30/2000	-0.676%	0.750%	0.737%	1.551%	-2.193%	0.0173	-1.288	
10/31/2000	0.850%	2.747%	-0.997%	1.559%	-0.698%	0.0175	-0.406	
11/1/2000	4.047%	-0.462%	5.373%	5.246%	-1.139%	0.0174	-0.689	
11/2/2000	-2.269%	1.065%	-2.946%	-1.969%	-0.306%	0.0173	-0.173	
11/3/2000	0.000%	-0.027%	0.473%	0.579%	-0.576%	0.0173	-0.335	
11/6/2000	1.493%	0.152%	-1.816%	-1.624%	3.168%	0.0173	1.802	
11/7/2000	-0.654%	-0.043%	1.638%	1.767%	-2.379%	0.0173	-1.400	
11/8/2000	1.316%	-1.916%	3.345%	1.843%	-0.518%	0.0174	-0.302	
11/9/2000	-1.461%	-0.930%	-1.554%	-2.327%	0.887%	0.0173	0.500	
11/10/2000	-2.142%	-2.637%	-0.610%	-2.889%	0.770%	0.0175	0.428	
11/13/2000	-1.010%	-1.344%	-2.313%	-3.484%	2.563%	0.0174	1.425	
11/14/2000	2.381%	2.647%	0.229%	2.736%	-0.345%	0.0175	-0.203	
11/15/2000	2.990%	0.623%	4.412%	5.232%	-2.130%	0.0174	-1.291	
11/16/2000	-1.452%	-1.615%	0.980%	-0.328%	-1.128%	0.0174	-0.647	
11/17/2000	-2.619%	-0.489%	-2.728%	-3.143%	0.542%	0.0173	0.303	
11/20/2000	-1.849%	-2.398%	-0.186%	-2.237%	0.397%	0.0174	0.222	
11/21/2000	-0.514%	-0.029%	0.779%	0.893%	-1.394%	0.0173	-0.814	
11/22/2000	-1.205%	-2.071%	-2.145%	-3.965%	2.874%	0.0174	1.584	
11/24/2000	3.136%	2.081%	1.127%	3.152%	-0.016%	0.0174	-0.009	
11/27/2000	-0.845%	0.321%	-2.082%	-1.746%	0.918%	0.0173	0.521	
11/28/2000	-2.215%	-1.628%	-0.661%	-2.034%	-0.184%	0.0174	-0.104	
11/29/2000	-2.967%	0.197%	-6.092%	-5.998%	3.225%	0.0174	1.738	
11/30/2000	-3.957%	-1.976%	-4.649%	-6.465%	2.682%	0.0175	1.435	
12/1/2000	1.498%	0.531%	3.381%	4.084%	-2.484%	0.0173	-1.492	
12/4/2000	0.923%	0.368%	0.823%	1.297%	-0.369%	0.0173	-0.216	
12/5/2000	1.463%	4.517%	-3.304%	0.771%	0.686%	0.0178	0.388	
12/6/2000	0.180%	-1.716%	0.486%	-0.929%	1.119%	0.0174	0.638	
12/7/2000	3.237%	-0.568%	2.497%	2.181%	1.033%	0.0173	0.610	
12/8/2000	2.439%	2.783%	-0.252%	2.361%	0.077%	0.0175	0.045	
12/11/2000	3.231%	1.172%	3.759%	5.052%	-1.733%	0.0174	-1.048	
12/12/2000	0.329%	-1.025%	1.625%	0.870%	-0.535%	0.0173	-0.312	
12/13/2000	-1.149%	-1.089%	-0.780%	-1.671%	0.530%	0.0173	0.301	
12/14/2000	-1.827%	-1.740%	-1.059%	-2.546%	0.737%	0.0174	0.413	
12/15/2000	0.846%	-1.896%	3.604%	2.128%	-1.255%	0.0174	-0.735	
12/18/2000	4.027%	0.624%	7.183%	8.094%	-3.762%	0.0175	-2.324	****
12/19/2000	0.806%	-1.580%	4.223%	3.052%	-2.179%	0.0174	-1.288	
12/20/2000	-3.360%	-3.510%	-1.268%	-4.355%	1.041%	0.0176	0.565	
12/21/2000	-1.987%	0.542%	-0.046%	0.555%	-2.528%	0.0173	-1.470	
12/22/2000	-2.703%	3.036%	-1.545%	1.253%	-3.907%	0.0175	-2.258	****
12/26/2000	4.514%	0.563%	4.983%	5.767%	-1.185%	0.0174	-0.721	
12/27/2000	-1.661%	1.390%	-1.569%	-0.253%	-1.411%	0.0173	-0.812	
12/28/2000	0.338%	0.896%	1.919%	2.903%	-2.493%	0.0173	-1.482	
12/29/2000	-2.357%	-1.196%	-0.832%	-1.822%	-0.545%	0.0173	-0.309	
1/2/2001	1.552%	-3.447%	3.132%	0.245%	1.303%	0.0176	0.740	
1/3/2001	-1.358%	5.341%	-7.494%	-2.814%	1.498%	0.0182	0.799	
1/4/2001	-0.344%	-1.251%	-2.634%	-3.731%	3.518%	0.0174	1.951	
1/5/2001	-0.345%	-2.907%	2.155%	-0.278%	-0.068%	0.0175	-0.038	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
1/8/2001	1.386%	-0.318%	1.298%	1.169%	0.215%	0.0173	0.126	
1/9/2001	4.103%	0.545%	0.533%	1.156%	2.913%	0.0173	1.704	
1/10/2001	3.284%	1.439%	0.976%	2.419%	0.845%	0.0173	0.499	
1/11/2001	2.067%	1.379%	0.054%	1.412%	0.645%	0.0173	0.378	
1/12/2001	-0.156%	-0.363%	0.129%	-0.079%	-0.076%	0.0173	-0.044	
1/16/2001	1.248%	0.700%	0.166%	0.917%	0.328%	0.0173	0.191	
1/17/2001	-3.852%	0.401%	-4.297%	-3.961%	0.113%	0.0174	0.063	
1/18/2001	-3.686%	1.180%	-4.987%	-3.972%	0.298%	0.0174	0.164	
1/19/2001	-1.165%	-0.506%	0.435%	0.109%	-1.272%	0.0173	-0.736	
1/22/2001	0.505%	0.017%	0.976%	1.138%	-0.626%	0.0173	-0.366	
1/23/2001	3.518%	1.573%	0.309%	1.849%	1.638%	0.0173	0.962	
1/24/2001	3.074%	0.351%	1.931%	2.425%	0.634%	0.0173	0.375	
1/25/2001	4.553%	-0.773%	4.414%	3.976%	0.555%	0.0174	0.332	
1/26/2001	-2.102%	-0.091%	-0.957%	-0.955%	-1.158%	0.0173	-0.664	
1/29/2001	-2.086%	0.928%	-2.308%	-1.432%	-0.663%	0.0173	-0.377	
1/30/2001	0.902%	0.651%	0.322%	1.034%	-0.130%	0.0173	-0.076	
1/31/2001	2.310%	-0.687%	1.534%	1.080%	1.217%	0.0173	0.711	
2/1/2001	-2.403%	0.405%	-1.916%	-1.499%	-0.918%	0.0173	-0.523	
2/2/2001	-0.224%	-1.875%	3.492%	2.032%	-2.211%	0.0174	-1.294	
2/5/2001	2.468%	0.172%	2.434%	2.783%	-0.306%	0.0173	-0.182	
2/6/2001	3.771%	0.064%	2.732%	2.993%	0.755%	0.0173	0.449	
2/7/2001	0.821%	-0.850%	0.701%	0.072%	0.748%	0.0173	0.432	
2/8/2001	-0.465%	-0.654%	0.118%	-0.352%	-0.113%	0.0173	-0.065	
2/9/2001	-0.771%	-1.392%	1.427%	0.335%	-1.102%	0.0173	-0.637	
2/12/2001	0.424%	1.110%	-4.912%	-3.957%	4.562%	0.0174	2.617	****
2/13/2001	1.407%	-0.862%	-0.909%	-1.600%	3.056%	0.0173	1.737	
2/14/2001	-0.254%	-0.020%	0.971%	1.099%	-1.339%	0.0173	-0.783	
2/15/2001	-3.732%	0.931%	-2.539%	-1.669%	-2.098%	0.0173	-1.190	
2/16/2001	0.891%	-1.875%	2.121%	0.616%	0.273%	0.0174	0.158	
2/20/2001	-0.501%	-1.883%	1.487%	-0.046%	-0.455%	0.0174	-0.262	
2/21/2001	-0.456%	-1.790%	-0.420%	-1.931%	1.505%	0.0174	0.849	
2/22/2001	-3.422%	-0.447%	-1.644%	-1.986%	-1.465%	0.0173	-0.830	
2/23/2001	-1.322%	-0.347%	-1.865%	-2.123%	0.818%	0.0173	0.463	
2/26/2001	3.059%	1.911%	2.550%	4.469%	-1.349%	0.0174	-0.810	
2/27/2001	1.846%	-1.116%	0.294%	-0.587%	2.447%	0.0173	1.405	
2/28/2001	-3.932%	-1.428%	-0.255%	-1.435%	-2.533%	0.0173	-1.440	
3/1/2001	0.979%	0.039%	0.118%	0.272%	0.706%	0.0173	0.410	
3/2/2001	2.761%	-0.489%	3.812%	3.810%	-0.820%	0.0174	-0.490	
3/5/2001	1.936%	0.544%	1.643%	2.301%	-0.357%	0.0173	-0.211	
3/6/2001	1.733%	1.068%	0.738%	1.839%	-0.104%	0.0173	-0.061	
3/7/2001	4.434%	0.589%	2.496%	3.223%	1.173%	0.0173	0.700	
3/8/2001	0.916%	-0.120%	-0.060%	-0.055%	0.971%	0.0173	0.562	
3/9/2001	-1.439%	-2.447%	0.745%	-1.319%	-0.122%	0.0175	-0.069	
3/12/2001	-3.258%	-4.244%	0.798%	-2.883%	-0.385%	0.0178	-0.211	
3/13/2001	-4.366%	1.599%	-3.961%	-2.535%	-1.878%	0.0174	-1.052	
3/14/2001	-0.777%	-2.451%	-0.176%	-2.274%	1.532%	0.0175	0.858	
3/15/2001	-2.129%	0.360%	-3.535%	-3.211%	1.118%	0.0173	0.624	
3/16/2001	-2.226%	-2.053%	-0.093%	-1.829%	-0.403%	0.0174	-0.228	
3/19/2001	3.862%	1.859%	1.495%	3.332%	0.513%	0.0174	0.305	
3/20/2001	1.207%	-2.334%	3.226%	1.344%	-0.136%	0.0175	-0.079	
3/21/2001	-5.620%	-1.821%	-1.107%	-2.668%	-3.033%	0.0174	-1.698	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
3/22/2001	-2.398%	-0.425%	-2.462%	-2.810%	0.424%	0.0173	0.238	
3/23/2001	2.615%	2.007%	0.829%	2.831%	-0.210%	0.0174	-0.125	
3/26/2001	0.309%	1.106%	0.770%	1.905%	-1.567%	0.0173	-0.922	
3/27/2001	-2.489%	2.382%	-3.522%	-1.377%	-1.128%	0.0175	-0.637	
3/28/2001	-3.184%	-2.524%	-1.696%	-3.909%	0.755%	0.0175	0.415	
3/29/2001	-4.512%	-0.489%	-4.045%	-4.502%	-0.010%	0.0174	-0.006	
3/30/2001	4.611%	1.195%	0.866%	2.085%	2.475%	0.0173	1.459	
4/2/2001	-6.939%	-1.547%	-3.886%	-5.291%	-1.740%	0.0174	-0.946	
4/3/2001	-5.234%	-3.614%	-1.180%	-4.358%	-0.916%	0.0176	-0.496	
4/4/2001	1.481%	-0.365%	3.726%	3.634%	-2.077%	0.0173	-1.241	
4/5/2001	4.135%	4.627%	1.830%	6.171%	-1.918%	0.0178	-1.142	
4/6/2001	-0.204%	-2.014%	1.285%	-0.372%	0.168%	0.0174	0.096	
4/9/2001	3.540%	0.873%	2.167%	3.138%	0.390%	0.0173	0.232	
4/10/2001	2.854%	2.834%	-0.002%	2.664%	0.185%	0.0175	0.109	
4/11/2001	-3.352%	-0.096%	-1.816%	-1.847%	-1.533%	0.0173	-0.870	
4/12/2001	-0.398%	1.555%	0.217%	1.739%	-2.100%	0.0173	-1.232	
4/16/2001	3.596%	-0.444%	1.587%	1.353%	2.213%	0.0173	1.296	
4/17/2001	2.287%	1.111%	0.474%	1.604%	0.672%	0.0173	0.394	
4/18/2001	-2.693%	3.888%	-5.842%	-2.416%	-0.284%	0.0178	-0.156	
4/19/2001	-2.491%	1.479%	-4.119%	-2.806%	0.325%	0.0174	0.181	
4/20/2001	5.109%	-0.841%	2.794%	2.243%	2.803%	0.0173	1.653	
4/23/2001	2.755%	-1.675%	4.192%	2.935%	-0.175%	0.0174	-0.104	
4/24/2001	-1.288%	-1.103%	0.499%	-0.364%	-0.927%	0.0173	-0.533	
4/25/2001	2.822%	1.675%	0.834%	2.484%	0.330%	0.0174	0.195	
4/26/2001	9.089%	0.481%	4.468%	5.161%	3.734%	0.0174	2.261	****
4/27/2001	-0.047%	1.474%	-1.835%	-0.452%	0.406%	0.0173	0.233	
4/30/2001	2.612%	0.049%	1.011%	1.202%	1.393%	0.0173	0.815	
5/1/2001	-1.736%	1.364%	-2.536%	-1.275%	-0.467%	0.0174	-0.266	
5/2/2001	-5.087%	0.331%	-6.532%	-6.332%	1.329%	0.0175	0.713	
5/3/2001	0.496%	-1.534%	0.409%	-0.844%	1.352%	0.0174	0.772	
5/4/2001	3.111%	1.441%	1.368%	2.824%	0.279%	0.0173	0.165	
5/7/2001	-1.628%	-0.319%	-1.332%	-1.548%	-0.082%	0.0173	-0.047	
5/8/2001	0.365%	-0.079%	-0.250%	-0.215%	0.581%	0.0173	0.336	
5/9/2001	3.105%	-0.460%	2.257%	2.031%	1.052%	0.0173	0.620	
5/10/2001	0.212%	-0.078%	-0.661%	-0.638%	0.855%	0.0173	0.491	
5/11/2001	-1.901%	-0.712%	-0.665%	-1.214%	-0.696%	0.0173	-0.397	
5/14/2001	5.169%	0.124%	2.462%	2.769%	2.335%	0.0173	1.387	
5/15/2001	3.185%	0.083%	2.310%	2.575%	0.595%	0.0173	0.353	
5/16/2001	0.132%	2.741%	-0.841%	1.714%	-1.555%	0.0175	-0.905	
5/17/2001	4.184%	0.532%	2.145%	2.809%	1.338%	0.0173	0.795	
5/18/2001	1.057%	0.240%	1.144%	1.512%	-0.449%	0.0173	-0.263	
5/21/2001	2.907%	1.855%	-0.761%	1.000%	1.888%	0.0174	1.098	
5/22/2001	-2.459%	-0.133%	-1.397%	-1.448%	-1.026%	0.0173	-0.585	
5/23/2001	-2.855%	-1.662%	-1.773%	-3.213%	0.370%	0.0174	0.206	
5/24/2001	-0.064%	0.423%	-2.926%	-2.525%	2.525%	0.0173	1.421	
5/25/2001	1.975%	-1.006%	1.997%	1.271%	0.695%	0.0173	0.406	
5/29/2001	-0.968%	-1.030%	-0.216%	-1.036%	0.069%	0.0173	0.039	
5/30/2001	-2.295%	-1.708%	-1.102%	-2.561%	0.273%	0.0174	0.153	
5/31/2001	1.675%	0.740%	0.791%	1.597%	0.077%	0.0173	0.045	
6/1/2001	-1.326%	0.548%	-0.720%	-0.136%	-1.192%	0.0173	-0.689	
6/4/2001	3.149%	0.506%	1.915%	2.548%	0.586%	0.0173	0.347	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
6/5/2001	-0.232%	1.448%	-0.828%	0.563%	-0.790%	0.0173	-0.458	
6/6/2001	-5.063%	-0.934%	-3.955%	-4.810%	-0.266%	0.0174	-0.145	
6/7/2001	-1.289%	0.542%	-2.808%	-2.297%	1.032%	0.0173	0.582	
6/8/2001	0.855%	-0.960%	0.659%	-0.070%	0.926%	0.0173	0.534	
6/11/2001	-1.629%	-0.937%	-0.349%	-1.090%	-0.545%	0.0173	-0.311	
6/12/2001	1.588%	0.037%	1.463%	1.658%	-0.069%	0.0173	-0.040	
6/13/2001	-1.050%	-1.021%	0.592%	-0.194%	-0.858%	0.0173	-0.494	
6/14/2001	-2.325%	-1.915%	-1.178%	-2.826%	0.515%	0.0174	0.288	
6/15/2001	-0.347%	-0.435%	0.328%	0.061%	-0.407%	0.0173	-0.236	
6/18/2001	-1.693%	-0.601%	-1.210%	-1.676%	-0.017%	0.0173	-0.010	
6/19/2001	0.448%	0.213%	-1.253%	-0.988%	1.451%	0.0173	0.831	
6/20/2001	-2.536%	1.069%	-2.220%	-1.214%	-1.338%	0.0173	-0.763	
6/21/2001	-5.446%	0.974%	-4.888%	-4.055%	-1.449%	0.0174	-0.799	
6/22/2001	0.051%	-0.970%	-0.077%	-0.838%	0.897%	0.0173	0.514	
6/25/2001	0.841%	-0.520%	0.649%	0.316%	0.523%	0.0173	0.303	
6/26/2001	3.890%	-0.004%	2.090%	2.268%	1.585%	0.0173	0.937	
6/27/2001	-6.030%	-0.194%	-4.648%	-4.859%	-1.230%	0.0174	-0.674	
6/28/2001	-3.829%	1.312%	-4.733%	-3.591%	-0.247%	0.0174	-0.137	
6/29/2001	-4.224%	0.371%	-0.100%	0.345%	-4.554%	0.0173	-2.644	****
7/2/2001	-4.073%	0.573%	-2.855%	-2.318%	-1.797%	0.0173	-1.013	
7/3/2001	-0.293%	-0.189%	1.133%	1.115%	-1.392%	0.0173	-0.814	
7/5/2001	-0.323%	-1.209%	1.718%	0.800%	-1.115%	0.0173	-0.648	
7/6/2001	-2.269%	-2.213%	1.680%	-0.143%	-2.129%	0.0174	-1.219	
7/9/2001	-1.115%	0.572%	-4.084%	-3.587%	2.564%	0.0174	1.424	
7/10/2001	1.494%	-1.455%	-0.096%	-1.295%	2.825%	0.0173	1.608	
7/11/2001	-0.210%	-0.173%	-1.634%	-1.728%	1.545%	0.0173	0.878	
7/12/2001	-4.365%	2.406%	-6.218%	-4.139%	-0.235%	0.0176	-0.128	
7/13/2001	1.196%	0.552%	0.764%	1.400%	-0.201%	0.0173	-0.118	
7/16/2001	-5.443%	-1.132%	-5.021%	-6.089%	0.688%	0.0174	0.371	
7/17/2001	0.855%	1.050%	0.512%	1.589%	-0.722%	0.0173	-0.424	
7/18/2001	1.142%	-0.671%	0.283%	-0.197%	1.342%	0.0173	0.774	
7/19/2001	1.741%	0.521%	1.899%	2.545%	-0.783%	0.0173	-0.464	
7/20/2001	6.941%	-0.309%	5.292%	5.301%	1.558%	0.0174	0.943	
7/23/2001	-0.296%	-1.508%	2.036%	0.859%	-1.145%	0.0174	-0.665	
7/24/2001	-3.567%	-1.662%	-1.314%	-2.739%	-0.852%	0.0174	-0.477	
7/25/2001	5.580%	1.361%	3.021%	4.460%	1.072%	0.0174	0.645	
7/26/2001	3.650%	1.172%	-0.919%	0.221%	3.421%	0.0173	1.980	****
7/27/2001	1.690%	0.274%	0.811%	1.198%	0.486%	0.0173	0.285	
7/30/2001	0.970%	-0.110%	-0.015%	0.000%	0.969%	0.0173	0.561	
7/31/2001	-3.951%	0.505%	-4.233%	-3.802%	-0.155%	0.0174	-0.086	
8/1/2001	-1.600%	0.496%	-3.292%	-2.838%	1.274%	0.0173	0.714	
8/2/2001	3.019%	0.341%	0.728%	1.173%	1.824%	0.0173	1.068	
8/3/2001	-0.930%	-0.466%	-1.613%	-1.970%	1.061%	0.0173	0.601	
8/6/2001	0.398%	-1.123%	0.743%	-0.129%	0.528%	0.0173	0.305	
8/7/2001	0.170%	0.223%	-2.178%	-1.934%	2.145%	0.0173	1.216	
8/8/2001	-5.260%	-1.667%	-3.432%	-4.930%	-0.347%	0.0174	-0.190	
8/9/2001	-4.478%	-0.041%	0.657%	0.757%	-5.195%	0.0173	-3.028	****
8/10/2001	-1.563%	0.456%	0.905%	1.460%	-2.979%	0.0173	-1.748	
8/13/2001	-2.222%	0.238%	-0.372%	-0.055%	-2.169%	0.0173	-1.254	
8/14/2001	-0.844%	-0.268%	1.474%	1.396%	-2.209%	0.0173	-1.295	
8/15/2001	7.531%	-0.715%	6.743%	6.433%	1.032%	0.0175	0.628	

Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
8/16/2001	-1.644%	0.214%	-1.566%	-1.309%	-0.340%	0.0173	-0.194	
8/17/2001	-1.176%	-1.583%	0.391%	-0.908%	-0.271%	0.0174	-0.155	
8/20/2001	-1.378%	0.712%	-2.372%	-1.694%	0.321%	0.0173	0.182	
8/21/2001	1.811%	-1.171%	1.559%	0.669%	1.134%	0.0173	0.659	
8/22/2001	-1.903%	0.710%	-0.681%	0.051%	-1.953%	0.0173	-1.130	
8/23/2001	-1.908%	-0.291%	-2.090%	-2.305%	0.406%	0.0173	0.229	
8/24/2001	0.778%	1.810%	-1.247%	0.457%	0.320%	0.0174	0.185	
8/27/2001	0.708%	-0.396%	0.746%	0.528%	0.178%	0.0173	0.104	
8/28/2001	-2.716%	-1.417%	-0.740%	-1.925%	-0.806%	0.0173	-0.456	
8/29/2001	-0.985%	-0.956%	0.161%	-0.579%	-0.408%	0.0173	-0.234	
8/30/2001	-7.131%	-1.571%	-2.505%	-3.887%	-3.376%	0.0174	-1.867	
8/31/2001	-0.500%	0.424%	0.563%	1.078%	-1.561%	0.0173	-0.913	
9/4/2001	3.814%	-0.100%	1.541%	1.616%	2.163%	0.0173	1.271	
9/5/2001	0.520%	-0.304%	-0.622%	-0.802%	1.332%	0.0173	0.764	
9/6/2001	0.689%	-2.093%	2.946%	1.272%	-0.576%	0.0174	-0.334	
9/7/2001	-3.184%	-1.786%	0.471%	-1.007%	-2.199%	0.0174	-1.253	
9/10/2001	1.591%	0.375%	-0.086%	0.364%	1.223%	0.0173	0.710	
9/17/2001	-7.240%	-4.957%	-0.232%	-4.589%	-2.778%	0.0179	-1.477	
9/18/2001	-8.068%	-0.772%	-4.033%	-4.745%	-3.488%	0.0174	-1.913	
9/19/2001	-7.551%	-1.661%	-5.918%	-7.492%	-0.063%	0.0175	-0.034	
9/20/2001	-4.812%	-3.021%	0.980%	-1.593%	-3.271%	0.0175	-1.835	
9/21/2001	4.731%	-1.925%	4.569%	3.099%	1.583%	0.0175	0.934	
9/24/2001	-6.112%	3.801%	-6.928%	-3.616%	-2.589%	0.0178	-1.399	
9/25/2001	-5.377%	0.769%	-4.573%	-3.915%	-1.522%	0.0174	-0.841	
9/26/2001	-1.795%	-0.613%	-1.556%	-2.044%	0.254%	0.0173	0.144	
9/27/2001	6.091%	1.102%	1.611%	2.770%	3.232%	0.0173	1.918	
9/28/2001	7.895%	2.248%	4.029%	6.299%	1.501%	0.0175	0.913	
10/1/2001	-2.882%	-0.427%	-1.879%	-2.211%	-0.687%	0.0173	-0.388	
10/2/2001	-2.192%	1.150%	-0.312%	0.828%	-2.995%	0.0173	-1.744	
10/3/2001	4.248%	2.234%	-0.562%	1.546%	2.661%	0.0174	1.553	
10/4/2001	6.359%	-0.083%	5.407%	5.623%	0.697%	0.0174	0.423	
10/5/2001	-1.558%	0.044%	-0.310%	-0.165%	-1.395%	0.0173	-0.806	
10/8/2001	2.866%	-0.772%	0.202%	-0.372%	3.250%	0.0173	1.871	
10/9/2001	0.956%	-0.489%	1.705%	1.434%	-0.471%	0.0173	-0.276	
10/10/2001	6.878%	2.325%	2.929%	5.233%	1.564%	0.0174	0.943	
10/11/2001	-0.809%	1.733%	-2.032%	-0.423%	-0.388%	0.0174	-0.222	
10/12/2001	-1.554%	-0.552%	0.912%	0.559%	-2.101%	0.0173	-1.222	
10/15/2001	-3.039%	-0.060%	-2.834%	-2.866%	-0.178%	0.0173	-0.100	
10/16/2001	1.221%	0.765%	2.756%	3.649%	-2.343%	0.0173	-1.402	
10/17/2001	-2.051%	-1.989%	1.248%	-0.388%	-1.669%	0.0174	-0.956	
10/18/2001	-5.378%	-0.708%	-2.513%	-3.118%	-2.333%	0.0173	-1.304	
10/19/2001	4.121%	0.524%	1.883%	2.530%	1.552%	0.0173	0.920	
10/22/2001	2.292%	1.482%	1.433%	2.928%	-0.619%	0.0173	-0.367	
10/23/2001	1.263%	-0.476%	1.362%	1.092%	0.169%	0.0173	0.099	
10/24/2001	0.362%	0.071%	-1.371%	-1.238%	1.620%	0.0173	0.925	
10/25/2001	9.619%	1.404%	5.554%	7.114%	2.339%	0.0175	1.435	
10/26/2001	2.084%	0.399%	4.161%	4.770%	-2.564%	0.0174	-1.548	
10/29/2001	-0.430%	-2.288%	1.203%	-0.704%	0.276%	0.0174	0.157	
10/30/2001	-5.216%	-1.713%	-3.390%	-4.928%	-0.303%	0.0174	-0.165	
10/31/2001	-6.300%	0.205%	-1.666%	-1.422%	-4.949%	0.0173	-2.821	****
11/1/2001	-2.876%	2.090%	-1.150%	0.809%	-3.655%	0.0174	-2.119	****

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Exhibit 17

Date	Actual Return	Market Return	Industry Residual Return	Predicted Return	Residual Return	Standard Error	Z-Score	Sig.(****)
11/2/2001	-2.585%	0.172%	-2.621%	-2.437%	-0.152%	0.0173	-0.086	
11/5/2001	-3.296%	1.407%	-3.325%	-2.052%	-1.270%	0.0174	-0.716	
11/6/2001	-3.851%	1.441%	-1.672%	-0.314%	-3.548%	0.0173	-2.040	****
11/7/2001	1.980%	-0.215%	3.173%	3.197%	-1.180%	0.0173	-0.703	
11/8/2001	2.573%	0.084%	1.889%	2.141%	0.423%	0.0173	0.250	
11/9/2001	0.176%	0.068%	3.466%	3.755%	-3.449%	0.0173	-2.065	****
11/12/2001	0.132%	-0.062%	0.192%	0.257%	-0.125%	0.0173	-0.072	
11/13/2001	0.921%	1.848%	-0.408%	1.357%	-0.430%	0.0174	-0.251	
11/14/2001	-6.087%	0.352%	-7.633%	-7.450%	1.473%	0.0175	0.778	
11/15/2001	-7.176%	0.010%	-9.737%	-9.930%	3.058%	0.0177	1.559	
11/16/2001	1.047%	-0.239%	3.642%	3.660%	-2.520%	0.0173	-1.507	
11/19/2001	0.444%	1.137%	-0.500%	0.623%	-0.177%	0.0173	-0.103	
11/20/2001	4.668%	-0.788%	5.658%	5.247%	-0.550%	0.0174	-0.332	
11/21/2001	-1.878%	-0.456%	-1.010%	-1.339%	-0.546%	0.0173	-0.311	
11/23/2001	2.775%	1.168%	0.502%	1.684%	1.073%	0.0173	0.630	
11/26/2001	-1.816%	0.711%	-2.727%	-2.061%	0.251%	0.0173	0.142	
11/27/2001	3.947%	-0.533%	2.207%	1.913%	1.996%	0.0173	1.175	
11/28/2001	-2.516%	-1.745%	0.520%	-0.921%	-1.610%	0.0174	-0.918	
11/29/2001	1.830%	1.142%	1.230%	2.413%	-0.569%	0.0173	-0.337	
11/30/2001	-1.244%	-0.131%	0.342%	0.350%	-1.588%	0.0173	-0.922	
12/3/2001	2.940%	-0.837%	2.223%	1.657%	1.262%	0.0173	0.740	
12/4/2001	-0.725%	1.441%	1.622%	3.087%	-3.698%	0.0173	-2.199	****
12/5/2001	0.457%	2.283%	2.174%	4.415%	-3.791%	0.0174	-2.272	****
12/6/2001	-5.227%	-0.106%	-2.863%	-2.937%	-2.360%	0.0173	-1.323	
12/7/2001	-42.446%	-0.721%	0.985%	0.483%	-42.723%	0.0173	-24.808	****

Exhibit 18

News and Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: FactSet Research Systems, Inc., Factiva, and Reuters Research on Demand
PAGE 1

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/03/1999	2,127,100	$42.875	3.313%	Factiva	Top End rail link bids low on cash. Original Article By Matthew Abraham Paul Tochey. A multinational consortium is believed like ly to win the contract for the Darwin-Alice Springs railway project. It is Asia Pacific Tran sportation Consortium. This comprises United States ...
06/03/1999	2,127,100	$42.875	3.313%	Factiva	Halliburton to maintain contractor rate status quo. An attempt by the Offshore Contractors Association to drive down the rates paid to independe nt professional contractors crumbled further yesterday with Halliburton saying it was going to maintain the status quo. The Press and Journal ...
06/03/1999	2,127,100	$42.875	3.313%	Factiva	RESEARCH ALERT - Oil service sector started. NEW YORK, June 3 (Reuters) - Goldman Sachs analyst Terry Darling said he started the oil ser vices sector as overweight and added Halliburton Co. Schlumberger Ltd. and Hanover Compres sor Co. to the recommended list. ...
06/03/1999	2,127,100	$42.875	3.313%	Factiva	Oil shares up on bullish views - oil in late comeback. NEW YORK, June 3 (Reuters) - Oil shares outperformed the rest of the stock market on Thursda y, reflecting more bullish views on the energy sector, while crude prices staged a late tech nical rebound. ...
06/03/1999	2,127,100	$42.875	3.313%	Factiva	Hot Stocks: INTD HAL SLB GGUY GNE Company Company News - - InteliData Tech The co. ended merger talks with Home 2 3/4, DN 1/2 Financial Network Inc. (MFN). Instead, 15.4% Less the companies plan to form a joint 322,200 Shares ...
06/03/1999	2,127,100	$42.875	3.313%	Factiva	N.Y. Late Market Comment -9: Oil Services Names Rise Shares of Texaco lost 2 3/16 to 62 5/16, while Chevron declined 7/16 to 52 5/16. Late Wednes day, the oil giants said they were halting merger discussions.
06/03/1999	2,127,100	$42.875	3.313%	Factiva	Goldman Starts Halliburton On Recommended List This rating change was reported by CNBC 09:05 AM
06/04/1999	1,354,200	$43.000	0.292%	Factiva	Halliburton Files With SEC For 5M Shares To Buy PES DALLAS -(Dow Jones)- Halliburton Co. (HAL) filed with the Securities and Exchange Commission to issue three million common shares. The shares will be used directly to acquire all ordin ary shares of PES International Ltd., a spokesman said. ...
06/04/1999	1,354,200	$43.000	0.292%	PR News	Halliburton Files Registration Statement to Cover Shares to Acquire Remainder of PES
06/05/1999				Factiva	Books - A high price for ivory. Rachel Halliburton trumpets the virtue of this unforgettable flight of fancy from a jumbo-s. sed talent The White Bone by Barbara Gowdy Flamingo. $16.99. 340pp

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/07/1999	2,117,300	844.438	3.3438	Factiva	S.Australia Names Consortium For Darwin-Adelaide Railway SYDNEY (Dow Jones)--The South Australian state government announced Monday the winning consortium that will build a A$1.2 billion railway linking the cities Darwin and Adelaide. ...
06/08/1999	1,801,800	843.438	(2.2508)		
06/09/1999	1,459,100	843.500	0.1449	Factiva	US firm offers $100m for PES. ENERGY services giant Halliburton has tabled a paper offer worth more than $100million to complete its takeover of technology-driven Petroleum Engineering Services (PES) of Aberdeen. ...
06/10/1999	1,452,600	843.875	0.8629		
06/11/1999	2,697,800	846.063	4.2869	Factiva	Barracuda gets some teeth. SO FOUR heavyweights presented Petrobras with bid documents for the giant Barracuda field development project on Monday. ABB, Kvaerner, Aker Maritime and Halliburton-Kellog submitted bids to act as main contractor for the $1.6 billion ...
06/14/1999	3,579,100	846.188	0.2719	Factiva	AKER SALE NEAR? Stavanger - Several candidates have now expressed their interest in taking over, or joining up, with Aker Maritime with both Saipem and Halliburton being named as possible suitors in addition to ABB. ...
06/14/1999	3,579,100	846.188	0.2719	Factiva	MOVES AND PROMOTIONS. The Petroleum Equipment Suppliers Association Houston, Tex., has named officers for the 1999-2000 term: W.J. (Zeke) Zeringue (Input/Output, Inc.) chairman; Peter D. Kinnear (PMC Corp.), vice chairman; Dwight E. Beach, Jr. (The Flexitallic ...
06/14/1999	3,579,100	846.188	0.2719	Factiva	*Halliburton Raised,Dresser Industries Confirmed-Moody's (MOAK) Dow Jones Newswires 06-14-99 1312EDT
06/14/1999	3,579,100	846.188	0.2719	Factiva	Halliburton/Dresser/Moody's -2: Revised Legal Structure NEW YORK (Dow Jones)--Moody's Investors Service Monday upgraded the senior unsecured debt ratings of Halliburton Co. to A3 from A1 and confirmed the A3 senior unsecured debt ratings of Dresser Industries Inc. ...
06/15/1999	2,890,000	847.938	0.7899	Factiva	RESEARCH ALERT-ING Barings rates petroleum,oil cos. NEW YORK, June 15 (Reuters) - ING Barings said Tuesday analyst [illegible]n Gengaro initiated coverage of Schlumberger Ltd. with a strong buy rating and Baker H[illegible]. and Halliburton Co. with a buy rating. ...
06/15/1999	2,890,000	847.938	3.7899	Factiva	*Lehman Brothers Starts Halliburton At Neutral >HAL (END)-DOW JONES NEWS 06-15-99 09:50 AM

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/15/1999	2,890,000	847.938	3.789%	Factiva	*ING Barings Starts Halliburton At Buy >HAL (END) DOW JONES NEWS 06-15-99 10:00 AM
06/16/1999	2,611,200	845.688	(4.694%)		
06/17/1999	2,358,800	847.625	4.741%	Factiva	Halliburton unit to oversee Australian rail construction. Bloomberg News HALLIBURTON Co. said a group led by its Brown and Root Services engineering and construction unit was selected to oversee construction of a $782.4-million Australian railroad. ...
06/18/1999	2,918,300	845.875	(3.675%)	Factiva	Company Profile For - Halliburton AB 1. Transaction Type 01 2. Registration Number 971394934 3. Report Type M 4. Company Name Halliburton AB 5. Address PB. 720 6. Postal Code 4003 ...
06/19/1999	.	.	.	Factiva	Going Out - Theatre Reviews. By Rachel Halliburton et al. Boyband Gielgud Theatre, London W1 (0171-494 5056) It is difficult to work out whether the makers of this musical are trying to create a new boy band, or merely presenting a narrative about a fictitious one ...
06/21/1999	1,407,300	843.813	(4.496%)	Factiva	Newcomers join growing band of high-spec deepwater vessels. TWO more construction/ support ships have just been completed in European yards for the offshore market and have started work for Halliburton SubSea Systems. ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	ADDvantage Media Group, Inc. Signs Letter of Intent with vanAar,Inc. TULSA, Okla.--(BUSINESS WIRE)--June 22, 1999--ADDvantage Media Group, Inc. (NASDAQ:ADDM), announced today the signing of a letter of intent with vanAar, Inc. under which vanAar agreed to purchase from ADDvantage one million shares of common ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	Tri-Valley and Halliburton Team Up On Project Ekho BAKERSFIELD, Calif.--(BUSINESS WIRE)--June 22, 1999--Tri-Valley Oil & Gas Co. (TVOG) has received a letter of intent from Halliburton Energy Services proposing an alliance on Project Ekho, Tri-Valley's deep exploration play in the South San ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	WS ATKINS: Houston success for WS Atkins Celebrating the completion of its first year of operation in Houston is WS Atkins, one of the world's largest and most successful multi-disciplinary consultancies. ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	Right of Reply - Patrick Healey. The director of Group K theatre responds to Rachel Halliburton's review of his production of Kristendom RACHEL HALLIBURTON'S review of my production of Kristendom at the Bridewell Thea

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					tre. London. Was so flippant as she claims the play was ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	Kellogg Brown & Root, TECHNIP will build petrochemicals plant inQatar. Brown & Root International, a subsidiary of Kellogg Brown & Root, with TECHNIP, have been se lected by Q-Chem to design and build a grassroot petrochemicals plant in Qatar. The plant wi ll be built in Mesaieed and is scheduled for completion ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	Halliburton Unit, Technip Get Qatar Plant Pact >HAL DALLAS (Dow Jones)--Halliburton Co.'s (HAL) Kellogg Brown & Root unit and Technip (F.TNP) re ceived a contract from Q-Chem to design and build a petrochemical plant in Qatar. ...
06/22/1999	2,232,800	842.063	(3.994%)	Factiva	U.S. CONSOLIDATED CLOSINGS. NAME LAST CHANGE B F GOODRICH CO 41/4 D GOODYEAR TIRE 56/7 -0/3 WR GRACE CO 18/6 +0/2 HALLIB URTON CO 42.01 -1.12 H J HEINZ CO 48.08 +0.02 HERCULES INC 38.01 -0.03 HOMESTAKE MINING 7/5 D HONEYWELL ...
06/23/1999	2,232,800	842.063	(3.994%)	SunTrust Robinson	Oilfield Service Stocks Weak on Inventory Concerns
06/23/1999	3,089,200	842.188	0.297%		
06/24/1999	2,309,500	841.125	(2.519%)	Factiva	Fatal wreck Above: Firefighters hose down smoldering potatoes left in a truck involved in a fatal accide nt early Tuesday on Interstate 20 eastbound in Bossier City. Authorities said that a Halliibu rton pump truck and an 18-wheeler carrying potatoes ...
06/24/1999	2,309,500	841.125	(2.519%)	Factiva	Tri-Valley Oil & Gas TRIL Halliburton Energy Services NA. Tri-Valley Oil & Gas Co. (TVOG) has received a letter of intent from Halliburton Energy Serv ices proposing an alliance on Project Eaho, Tri-Valleys deep exploration play in the south S an Joaquin Valley of California. Halliburton will ...
06/25/1999	2,069,600	840.375	(1.824%)	Factiva	Hi-tech kids get wired for sound ... and vision. A TRIO of Aberdeen schools are going on line after picking up a key computer donation. Dycee based engineering firm Halliburton found they were overloaded with extra computers and decid ed to help turn pupils hi-tech. ...
06/28/1999	2,123,900	841.625	3.096%	Factiva	DIGITAL CAMERA AND ACCESSORIES NOTICE TYPE: Potential Sources Sought NOTICE DATED: 062499 OFFICE ADDRESS: NASA/John F. Kenn edy Space Center, Procurement, Kennedy Space Center, FL 32899 ZIP CODE: 32899 SUBJECT: 67 - DIGITAL CAMERA AND ACCESSORIES RESPONSE DEADLINE: DUE ...
06/28/1999	2,123,900	841.625	3.096%	Factiva	Polymer-based prefluah allows fracing near water intervals. Carlos Brocco is a drilling and workover engineer for Pioneer Resources Inc., Buenos Aires. He previously was a drilling and workover engineer for Astrofor (now operated by Pride) and Pera Company. He has an electrical engineering degree ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/28/1999	2,123,900	841.625	3.0964	Factiva	Global positioning technologies provide essential exploration tool. Simon Corbett is a geodatic and software engineer and technical director for Quality Enginee ring & Survey Technology Ltd (Quest) a geodetic, geophysical and survey research and technic al development company. He holds a PhD in surveying ...
06/28/1999	2,123,900	841.625	3.0964	Factiva	Dresser Equipment Group's. Dresser Equipment Group's Waukesha Engine Division has added a new distributer: CK Power Pro ducts of St. Louis, Missouri. The distributorship covers the midwestern U.S. region. CK Powe r Products will sell and service Waukesha natural gas ...
06/29/1999	1,512,500	843.375	4.2649	Factiva	Nuevo Energy In Consulting Pact With Halliburton Unit(NEV HOUSTON (Dow Jones)--Nuevo Energy Corp. (NEV) signed a multi-year consulting contract with H alliburton Co.'s (HAL) Landmark Graphics Corp. unit. ...
06/29/1999	1,512,500	843.375	4.2649	PR Newswire	Nuevo Contracts With Landmark Graphics Corporation for Entire Scientific Information Technol ogy Functions
06/30/1999	2,675,100	843.250	4.3238	Factiva	OIL: August crude futures rose 21 cents to $18.44 a barrel yesterday on the New York Mercantile E xchange amid talk of an outage at a Mobil Corp. refinery in Beaumont, TX (Matthew F. Gallagh er, Wall Street Journal, June 30) ... ...
06/30/1999	2,675,100	843.250	4.3238	Factiva	Halliburton cements Russian relationship. An alliance agreement has been settled between the Tyumen Oil Co and Halliburton Energy Serv ices. Tyumen Oil is one of the biggest oil producers in Russia. The alliance will be for the development and assessment of oil and gas assets. The ...
06/30/1999	2,675,100	843.250	4.3238	Factiva	Halliburton sees 2000 net rise from 1999 "trough". HOUSTON, June 30 (Reuters) - Halliburton Co., the world's biggest oilfield services company, said on Wednesday that it saw earnings bottoming in 1999 but expected a significant increas e in 2000. ...
07/01/1999	2,050,100	843.750	(3.3155)	Factiva	COFLEXIP WINS NORWEGIAN SUBSEA Stavanger - The Coflexip Stena - Rockwater (Halliburton Subsea Systems) joint venture has wo n the last contract to be awarded for Statoil's upcoming Sygna subsea development project. ...
07/01/1999	2,050,100	843.750	(3.3155)	Factiva	Refinery expansion work for Shell/Pemex, Deer Park Kellogg Brown & Root, a business unit of Halliburton Co. was selected by Shell Oil Co. and P etroleos Mexicanos (Pemex) to provide construction services for a multi-million dollar proje ct to expand the sulfur recovery and delayed coking ...
07/01/1999	2,050,100	843.750	(3.3155)	Factiva	Five new drilling technologies emerging.(Brief Article) A few relatively new drilling technologies were introduced at this year's Offshore Technolog y Conference. They include casing drilling technologies from Tesco, a gyro in Well Done Dril

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					iing Systems' rotary steerable tool, casing reaming ...
07/01/1999	2,050,100	843.750	(3.3158)	Factiva	Seismic Integration.(Landmark Graphics launches a cross-platformintegration tool for hydrogr A cross-platform integration tool designed to move seismic data and interpretations between Unix and Windows NT operating systems has been developed by Halliburton's Landmark Graphics. The tool, known as SeisXchange 4.7(TM), will allow ...
07/01/1999	2,050,100	843.750	(3.3158)	Factiva	BRS wins embassy upgrade global contract Houston-based Brown & Root Services (BRS), a business unit of Halliburton Company, has been awarded a contract by the U.S. Department of State to perform fast-track delivery of securit y improvements at U.S. embassies and consulates ...
07/02/1999	1,046,900	844.500	1.7144%	Factiva	Tender - photographic equipment - 2 (English). Goods: 33400000. Digital camera and accessories. Federal Supply Classification (FSC) 67. MAB A/KBC is hereby soliciting information for potential sources for a Digital Camera, Kodak DCS -560; Battery Pack; Firewire (IEEE 1394) Host PC Card ...
07/02/1999	1,046,900	844.500	1.7144%	Factiva	ANALYSTS' VIEW "BHI management ANALYSTS' VIEW "BHI management has been saying for several years that the only major oilfiel d service areas they are not in are pressure pumping and construction, and they don't want t o be in construction. That leaves pumping with three ...
07/06/1999	.	.	.	Factiva	RICHARD HALLIBURTON He rode across the Alps on an elephant, swam the length of the Panama Canal, sailed the jour neys of Ulysses and followed the footsteps of Greek legends up Olympus. ...
07/06/1999	2,841,600	845.250	1.4854%		
07/07/1999	1,848,300	844.125	(2.4864)		
07/08/1999	1,942,200	845.688	3.5418%	Factiva	HALLIBURTON HASN'T RULED OUT FURTHER ACQUISITIONS. Speaking in Aberdeen in May, Halliburton's Chief Executive Officer, Dick Cheney, indicated t hat restructuring in the oil and gas service industry had run its course following a number of mergers last year, including that between Halliburton ...
07/08/1999	1,942,200	845.688	3.5418%	Factiva	Appointment at Balmoral Group International. Balmoral Group International has appointed Gary L Brown as its new President, and Andy Bruce as Vice President Finance. Brown was most recently Director of International Manufacturing with Halliburton Energy Services. Bruce has been with ...
07/09/1999	1,311,700	845.938	0.5479%	Factiva	BGP the front-runner. THE Anadarko-led consortium developing Hassi Berkine South field (HBNS) in Algeria is close to awarding an engineering, procurement and construction contract for the second stage. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/09/1999	1,311,700	845.938	0.5478	Factiva	Statoil prizes. NORWAY'S Statoil has awarded eight new drilling and well service contracts with a combined v alue of some Nkr3.4 billion ($430 million). Six jobs worth $253 million went to Baker Hughes , Halliburton, Anchor/M-I Drilling Fluids, BJ Services ...
07/09/1999	1,311,700	845.938	0.5478	Factiva	Sygne award. Coflexip Stena and Halliburton firm Rockwater have won a Nkr180 million ($20 million) contra ct from Norway's Statoil for subsea equipment, cables and pipes on the Sygne field in the No rth Sea. ...
07/10/1999	.	.	.	Factiva	War and piecework. While Asia's armies are busy sticking their noses into business, the converse is happening i n the developed world. Although people have sought to make a living by running errands for s oldiers since the first stone was slung, those charged ...
07/12/1999	1,397,600	847.250	2.8578	Factiva	Schlumberger Deal Creates Offshore Drilling Leader >BIG NEW YORK (Dow Jones)--While the oil-services industry has been dominated for years by three majors - Schlumberger Ltd. (SLB), Halliburton Co. (HAL) and Baker Hughes Inc. (BHI) - a simi lar dynamic, or at least a clear front-runner, has been ...
07/13/1999	1,948,400	806.500	(1.5078)	Factiva	Zero Halliburton Introduces New Family of Notebook Carrying Cases to Its Line of Products; No SALT LAKE CITY--(BUSINESS WIRE)--July 13, 1999--More than 563,000(s) notebooks were damaged in accidents last year, at a cost to businesses and consumers of over $1 billion(s). ...
07/13/1999	1,948,400	806.500	(1.5078)	Factiva	ALGERIAN-AMERICAN JOINT OIL SERVICES COMPANY LAUNCHED. According to Al-Khabar newspaper (July 11, 1999), the Algerian National Well Services Compan y, a subsidiary of the "Sonatrech" Corporation, yesterday signed a contract the American "Ha lliburton" Corporation to establish a joint venture. The ...
07/13/1999	1,948,400	806.500	(1.5078)	Factiva	Applied Power Unit Introduces New Computer Notebook Case SALT LAKE CITY (Dow Jones)--Zero Halliburton, a unit of APW Zero Cases, is introducing a new line of carrying cases for notebook computers, designed to protect the machines from damage . ...
07/14/1999	1,805,000	847.188	1.4788	Factiva	Metamor Worldwide Inc. METAMOR WORLDWIDE Inc. (Houston) -- Henry F. Holland, 50 years old, was named to the new pos ts of executive vice president and chief operating officer of this information-technology co ncern. He was executive vice president of Landmark ...
07/14/1999	1,805,000	847.188	1.4788	Factiva	Young thespians bring the Bard's works to life Camp prepares group for participation in Shak With arms waving and fingers pointing, about two dozen Laurence Olivier wannabes practiced s word fighting using imaginary weapons at a Lenexa church on Friday. ...
07/15/1999	1,821,900	847.563	0.7959	Factiva	UN awards $2.8-bil to oil firms for war damage The United Nations has awarded almost $2.8-bil to several oil companies, including $2.2-bil to Kuwait Oil Co and $505.6-mil to Texaco, for damage sustained at oil fields when Iraq inva

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ded Kuwait in 1990. Texaco said the award to Saudi ...
07/15/1999	1,801,900	847.563	0.7859	PR News	Halliburton 1999 Third Quarter Dividend
07/16/1999	1,057,900	846.500	(2.2345)	Factiva	The Washington Daybook - General News Events (UPDATE) Now 9:45 a.m. Lobbying - News briefing SPONSOR: Business-Industry Political Action Committee (BIPAC) TOPIC/SUBJECT: holds a news briefing on BIPAC's Project 2000: PAC Summit, a meeting of more than 40 top business organizations ...
07/16/1999	1,057,900	846.500	(2.2345)	Factiva	EX-IM BANK $64 MILLION LOAN BACKS U.S. EXPORTS TO DEVELOP '8 CABINDA OIL FIELD An Export-Import Bank of the United States (Ex-Im Bank) $64 million direct loan is supportin g the sale of equipment and services by Solar Turbines, Inc., San Diego, CA; Halliburton Ene rgy Services, Fort Worth, TX; Brown & Root, Inc ...
07/16/1999	1,057,900	846.500	(2.2345)	Factiva	Drilling giant throws down the gauntlet. O F F S H O R E H E A V Y W E I G H T S F O R M A G L O B A L T I T A N Transocean and Sedco Forex tie the knot to form a market leaderRTX: THE SEARCH for oil and gas in ever deeper wa ter and harsher marine environments has spurred a $3.2 ...
07/16/1999	1,057,900	846.500	(2.2345)	Factiva	Dividend Declarations: AIR, CNBKA, CRRC, DCOM, M.ENI, FMGB, FMER.FULL, GCS, GCSB, PEDE, KAL, Company Period Amount Payable Record Regular AAR Corp Q .08 1/2 9/ 3/99 8/ 2 Century Bncp cl A Q .08 8/16/99 8/ 2 Courier Corp Q .10 1/2 8/30/99 8/13 ...
07/16/1999	1,057,900	846.500	(2.2345)	Factiva	TIP SHEET: Adviser Lansdowne Points To Oil, Furniture DENVER (Dow Jones)--David Lansdowne believes industries move in multi-year cycles, and he's guiding a Denver mutual fund toward investing in a couple of sectors where he sees some upsw ing potential: oil service and furniture. ...
07/19/1999	914,200	845.750	(1.6139)	Factiva	Shell Oil Co. Shell Oil Co. and Mexico's Petroleos Mexicanos let contract to Halliburton Co. unit Kellogg Brown & Root, Houston, for the construction of a new sulfur recovery unit and the expansion of an existing delayed coker at the firms' joint venture ...
07/19/1999	914,200	845.750	(1.6139)	Factiva	Sedco Forex Offshore to merge with Transocean.(Statistical Data Included) Schlumberger Ltd., Paris, has agreed to spin off its offshore contract drilling unit, Sedco Forex Offshore, in order to unite it with Transocean Offshore Inc., Houston, ...
07/20/1999	1,349,400	843.313	(5.3288)	Factiva	International Energy Calendar Of Events: July 21-27 Wednesday July 21 U.S.: Energy Department Weekly Stock Data U.S.: American Gas Association W eekly Stock Data U.S.: Exxon Releases Earnings U.S.: American Petroleum Institute Monthly St atistical Report Libya: Venezuela Delegation ...
07/20/1999	1,349,400	843.313	(5.3288)	PR News	Former Four-Star Navy Flag Officer Admiral 'Joe' Lopez Joins Halliburton Business Unit

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/20/1999	1,349,400	$43.313	(5.328%)	PR Newswire	Halliburton Invites You to Join Its Second Quarter Conference Call on the Web
07/21/1999	1,869,500	$44.938	3.752%	Factiva	Keynote Speakers to Calgary's World Petroleum Congress Announced CALGARY, July 21 /CNW/ - More than half of the main speakers who will address the 16th World Petroleum Congress in Calgary in June 2000 are now confirmed, announced Jim Gray, congress chairman, and Dr. Randy Gossen, Calgary member ...
07/21/1999	1,869,500	$44.938	3.752%	Factiva	International Energy Calendar Of Events: July 21-28 Wednesday July 21 U.S.: Energy Department weekly stock data U.S.: American Gas Association weekly stock data U.S.: Exxon releases earnings U.S.: American Petroleum Institute monthly statistical report U.S.: U.S.-China Oil and ...
07/21/1999	1,869,500	$44.938	3.752%	Factiva	International Energy Calendar Of Events: July 22-29 Thursday July 22 U.S.: Schlumberger, Halliburton, Murphy Oil Earnings U.S.: U.S.-China Oil and Gas Industry Forum (July 21-22) Friday July 23 U.S.: Chevron earnings ...
07/21/1999	1,869,500	$44.938	3.752%	PR Newswire	Halliburton Invites You to Join Its Second Quarter Conference Call on the Web
07/22/1999	1,272,300	$44.000	(2.086%)	CIBC World Markets	HAL: 2Q Operating Results in Line; Adjusting Estimates Slightly
07/22/1999	1,272,300	$44.000	(2.086%)	Factiva	OFFSHORE SHUTTLE SHORTLIST. Stavanger - Aker Maritime's Aker Verdal yard, Halliburton's Brown & Root and the Spanish Dragados group have reportedly been shortlisted for the NKr 1.4 Bn job to build the first Offshore Shuttle unit, Offshore Shuttle No.1, for the German ...
07/22/1999	1,272,300	$44.000	(2.086%)	Factiva	International Energy Calendar Of Events: July 22-28 Thursday July 22 U.S.: Schlumberger, Halliburton, Murphy Oil earnings U.S.: U.S.-China Oil and Gas Industry Forum (July 21-22) Friday July 23 U.S.: Chevron earnings ...
07/22/1999	1,272,300	$44.000	(2.086%)	Factiva	Lower Q2 earnings for oilfield service giants. HOUSTON, July 22 (Reuters) - The world's two biggest oilfield service companies, Halliburton Co and Schlumberger Ltd, reported sharply lower second quarter earnings on Thursday, saying strong oil prices had not yet led to a revival of oil ...
07/22/1999	1,272,300	$44.000	(2.086%)	Factiva	TABLE - Halliburton Q2 dil shr falls. DALLAS, July 22 (Reuters) - Quarter Ended Six Months Ended June 30 June 30 1999 1998 1999 1998 ...
07/22/1999	1,272,300	$44.000	(2.086%)	Factiva	Cut Costs, Diversification Help Halliburton's 2Q >HAL NEW YORK (Dow Jones)--Despite exploration doldrums in the oil industry, Halliburton Co. (HAL) was able to shave costs and post second-quarter earnings that beat Wall Street's expectations. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	*Halliburton 2Q Net 19c/Diluted Shr On Items Vs 55c>HAL (MORE) DOW JONES NEWS 07-22-99 04:30 PM
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	*Halliburton Latest 2Q On 7c/Shr Gain, 7c/Shr Chg >HAL (MORE) DOW JONES NEWS 07-22-99 04:35 PM
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	HAL Upside Earnings Alert: 2Q Op 19c: First Call 17c Analysts surveyed: 27 Halliburton Co. (HAL) reported second-quarter net income of 19 cents a share, upside of a First Call estimate of 17 cents a share. ...
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	Halliburton Earnings -2: 2Q Financial Table >HAL Halliburton Co. - Dallas 2nd Quar June 30: 1999 1998 Revenue $3,670,000,000 $4,585,000,000 N et income a $3,000,000 243,000,000 Avg shrs (basic) 440,000,000 438,000,000 Avg shrs ...
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	Halliburton Earnings -3: Engineer/Construction Rev Dn 5% Halliburton Co. (HAL) said second-quarter results were hurt by sharply lower worldwide level s of capital and operational spending by its petroleum industry customers. These factors aff ected each of its three business segments, particularly ...
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	Halliburton Earnings -4: 6 Mos Financial Table >HAL 6 Months June 30: 1999 1998 Revenue $7,594,000,000 $8,840,000,000 Inc bef adj 164,000,000 44 6,000,000 Acctg adj (19,000,000) .... Net income 145,000,000 446,000 ...
07/22/1999	1,272,300	844.000	(2.086%)	Factiva	Halliburton Posts 65% Drop In Net Amid Oil-Services Slump NEW YORK -(Dow Jones)- Oil-services firm Halliburton Co. Thursday reported a 65% drop in its net income and a 20% decrease in revenue for its second quarter because of sharply lower sp ending by the oil companies that are its customers ...
07/22/1999	1,272,300	844.000	(2.086%)	PR News	Halliburton Reports 1999 Second Quarter Earnings
07/23/1999	1,419,200	844.063	0.142%	Deutsche Bank Rese	Halliburton Company - 2Q99 EPS in Line With Our Estimate; 1999 Estimates Lowered
07/23/1999	1,419,200	844.063	0.142%	Deutsche Bank Rese	Halliburton Company - 2Q99 In Line With Our Estimate
07/23/1999	1,419,200	844.063	0.142%	Factiva	HALLIBURTON LAUNCHES SECOND STATE-OF-THE ART VESSEL FOR GULF OF MEXICO WORK From: Press Release -- Halliburton Energy Services (HES), a business unit of Halliburton Com pany (NYSE HAL), has deployed a new vessel-mv Cape Hawke-to Carmen, Mexico to enhance its co ntract with PEMEX. The new vessel replaces the mv221 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/23/1999	1,419,200	844.063	0.1428	Factiva	Oil Sector Analysis JOHN DEFTERIOS, CNNfn ANCHOR, BUSINESS DAY: For a closer look at the oil services sector inc luding Halliburton (URL: http://www.halliburton.com/) and Schlumberger (URL: http://www.slb .com/) earnings, let's bring in Jeff Keyburtz. He is the ...
07/23/1999	1,419,200	844.063	0.1428	Factiva	Halliburton posts lower results DALLAS (JR) -- Halliburton reported Thursday that the company's 1999 second quarter net inco me plunged 66 percent to $83 million, or 19 cents per share, from $243 million, or 55 cents per share, in the 1998 second quarter. ...
07/23/1999	1,419,200	844.063	0.1428	Factiva	Lower Oil Prices Shrink Oil-Field Developers' Profits Three of the major energy service companies were clobbered Thursday by shrunken profits as t he result of low oil prices earlier in the year. ...
07/23/1999	1,419,200	844.063	0.1428	Factiva	Schlumberger Earnings Fall 64%. Schlumberger Ltd., the world's second largest oil services company behind Halliburton Co., s aw second-quarter profits fall 64% due to continued sluggish demand for exploration and deve lopment equipment and services in the wake of last year ...
07/23/1999	1,419,200	844.063	0.1428	Factiva	Mixed blessing on Ekofisk jobsMixed blessing on Ekofisk jobs front. THE AWARD by Phillips Petroleum of a three-year frame contract for maintenance and modificat ions work on its North Sea Ekofisk field (pictured above) has helped secure 400 jobs at Norw egian concerns Sorco, Fabricom and Unoe, writes David ...
07/23/1999	1,419,200	844.063	0.1428	Factiva	Weak earnings flog oil-service firms / Lower exploration spendingplayed part Three of the major energy service companies were clobbered Thursday by shrunken profits as t he result of low oil prices earlier in the year.
07/23/1999	1,419,200	844.063	0.1428	RBC Capital Market	HAL: Neutral; Halliburton Report Better Than Expected
07/23/1999	1,419,200	844.063	0.1428	SunTrust Robinson	HAL - June Q $0.19. $0.01 Above Forecast, $0.02 Above Consensus
07/26/1999	991,400	843.313	(0.7028)	Factiva	Exploration/California...Tri-Valley Oil in San Joaquin basin search From: Oil & Gas Journal -- Tri-Valley Oil & Gas Co and its Canadian partners will soon start their Ekho deep exploration project on 761 sq mi in the southern San Joaquin Basin east of Lost Hills, Kern County. Tri-Valley has entered ...
07/26/1999	991,400	843.313	(0.7028)	Factiva	Halliburton's Second-Quarter Earnings Sag. Halliburton Co. had a sharp decline in second-quarter earnings, but still beat Wall Street's expectations. The Houston-based service and supply company last week reported earnings of $ 83 million (19/share) on revenues of $3.7 billion. ...
07/27/1999	1,234,800	843.563	0.9778	Factiva	Company Profile for - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 720 6. Postal Code 4003 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/27/1999	1,234,600	843.563	0.577%	Factiva	Halliburton Unit In Multi-Yr Sys Pact With BP Amoco >HAL DALLAS (Dow Jones)--Halliburton Co.'s (HAL) Landmark Graphics Corp. unit entered a multi-yea r agreement to standardize BP Amoco PLC's (BPA) drilling, reservoir engineering, geology and geophysics systems. ...
07/27/1999	1,234,600	843.563	0.577%	PR News	Landmark and BP Amoco Sign Multiyear Contract
07/28/1999	1,992,800	845.438	4.304%	Factiva	OFFSHORE ABU DHABI MULTI-LATERAL WELL YIELDS PRODUCTION BEYOND EXPECTATIONS From: Press Release -- Sperry Sun, a division of Halliburton Energy Services (NYSE), in conju nction with Abu Dhabi National Oil Company (ADNOC), Japan Oil Development Company (JODCO), a nd Japan National Oil Corporation Technology Research ...
07/28/1999	1,992,800	845.438	4.304%	Factiva	Bufete Debt Default.(Brief Article)(Statistical Data Included) Grupo Industrial Bufete (Mexico City), Mexico's largest E&C firm, has defaulted on its $100- million Eurobond. The company says it is unable to make payments on the bond, which was due July 15. Bufete says it is "examining various financial ...
07/28/1999	1,992,800	845.438	4.304%	Factiva	Halliburton unit completes Zadco well. Dubai - Sperry Sun, a product service line of Halliburton Energy Services of the U.S., along with the Abu Dhabi National Oil Co (Adnoc), the Japan Oil Development Co (Jodco) and the Ja pan National Oil Corp Technology Research Centre (Jnoc ...
07/28/1999	1,992,800	845.438	4.304%	SunTrust Robinson	Halliburton Co.
07/29/1999	1,940,100	846.500	2.338%	Factiva	10 Qualify to Evaluate Fields. State-run oil company Petroecuador has qualified 10 international accounting firms to evalua te output at five oil fields in the Amazon region, the company said Wednesday. ...
07/30/1999	1,308,100	846.125	(0.806%)	Factiva	Shuttle shake-out narrows bidders. MARINE Shuttle Operations has short-listed four offshore fabrication companies to build its first floating unit, specially designed to remove large offshore platforms. ...
07/30/1999	1,308,100	846.125	(0.806%)	Factiva	Ferryhill bid to retain house with a history. A HERITAGE group today blasted plans to turn a historic house, which was once occupied by tw o former Lord Provosts, into flats. A firm of developers proposes to renovate Devanha House in Ferryhill into six flats. The Georgian building was ...
07/30/1999	1,308,100	846.125	(0.806%)	Factiva	INGERSOLL-DRESSER WINS BIG CONTRACT The U.S. Army Corps of Engineers awarded a $21.3 million contract to the Ingersoll-Dresser P ump Co. to provide pumps and other equipment for a project to revitalize the Florida Everglades, the company said Thursday. The order is the largest ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/01/1999	.	.	.	Factiva	U.S. Companies Are Wary Of Contracts in the Balkans As government officials gathered in Washington and Brussels last week to pledge billions of dollars in aid to reconstruct the Balkans, American companies said the political deck appeared to be stacked against their winning many lucrative ...
08/01/1999	.	.	.	Factiva	Ziff/Halliburton floats deepwater survey. (Subsea/Surface Systems Technology) (Ziff Energy Group Ziff Energy group and Halliburton Energy Services have announced plans to conduct a new deepwater study evaluating subsea operations, "from design perspective to operational performance." The goal is to analyze deepwater subsea operations ...
08/01/1999	.	.	.	Factiva	U.S. companies wary of contracts in Balkans Bureaucratic headaches and other complications As government officials gathered in Washington and Brussels last week to pledge billions of dollars in aid to reconstruct the Balkans, U.S. companies said the political deck appeared to be stacked against their winning many lucrative ...
08/03/1999	1,813,000	$45.750	(0.8136)	Factiva	Halliburton in Saudi oilfied logging venture. Dubai - Halliburton Engineering Services (HES) has been awarded a 25-year contract for a joint venture oilfield logging operation in Saudi Arabia. The Texas company will have a 75 per cent stake in the venture, with Petroco holding the rest ...
08/03/1999	1,813,000	$45.750	(0.8136)	Factiva	Business News - Halliburton in Saudi oilfied logging venture (294). Dubai - Halliburton Engineering Services (HES) has been awarded a 25-year contract for a joint venture oilfield logging operation in Saudi Arabia. The Texas company will have a 75 per cent stake in the venture, with Petroco holding the rest ...
08/03/1999	1,619,000	$46.813	2.3228	Factiva	Halliburton Threatened by Strike. Members of the Petroleum and Natural Gas Senior Staff Association of Nigeria (Pengassan) have threatened to strike against Halliburton Engineering Services Nigeria Ltd. If 65 members who were laid off in April aren't reinstated by Aug. 9, a ...
08/04/1999	2,736,700	$47.750	2.0038		
08/05/1999	3,880,300	$50.500	5.7599	SunTrust Robinson	HAL - Target Price Raised from $50.00 to $55.00
08/06/1999	2,916,300	$49.313	(2.3518)	Factiva	Ingersoll-Dresser Pump Company Plans Site Improvements ENGLEWOOD CLIFFS, N.J., Aug. 6 /PRNewswire/ -- Ingersoll-Dresser Pump Company, a joint venture of Ingersoll-Rand and Halliburton Company, has chosen Multimedia Solutions Corporation, a Web site solutions provider based in Englewood Cliffs ...
08/06/1999	2,916,300	$49.313	(2.3518)	Factiva	North Sea firm axe 130 in orders slump. A NORTH Sea oil supply firm are to close their Dunfermline factory with the loss of 130 jobs. TK Valve blamed a catastrophic slump in orders. ...
08/06/1999	2,916,300	$49.313	(2.3518)	Factiva	Oil firm to close factory. NORTH Sea Oil equipment manufacturer Grove TK yesterday announced it is to close one of its factories with the loss of 130 jobs. A spokesman said the company's Dunfermline plant would

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					shut in November after a catastrophic slump in orders. A ...
08/06/1999	2,916,300	949.313	(2.351%)	Factiva	Chevron wall booster. CHEVRON has contracted Halliburton to deploy new production drilling technology on all its e xisting Nigerian fields. Horizontal completion techniques on existing wells are expected to draw down reservoirs much faster and achieve significant ...
08/06/1999	2,916,300	949.313	(2.351%)	SunTrust Robinson	Market Strategy Weekly Market, Sector, Stock Comment
08/09/1999	3,692,300	951.438	4.309%	Factiva	Agency Roster Lead The following "Agency Roster" package is a weekly roundup of news releases highlighting acco unt wins at public relations, investor relations and advertising agencies. The service, free to any member of PR Newswire, is a powerful way for ...
08/09/1999	3,692,300	951.438	4.309%	Factiva	Zero Halliburton Hires Politis Communications To Launch New Lineof Notebook Carrying Cases Utah-Based PR Agency to Promote Notebook Carrying Case Manufacturing Company SALT LAKE CITY, Aug. 9 /PRNewswire/ -- Zero Halliburton, a unit of APW Zero Cases (NYSE: APW), today announ ced it has hired ...
08/09/1999	3,692,300	951.438	4.309%	Factiva	IN BRIEF. The US' Halliburton Energy Services has received a certificate of registration for the forma tion of a new local joint venture logging company. Halliburton will own a 75 per cent stake in Saudi Halliburton Logging Company, with the remaining ...
08/09/1999	3,692,300	951.438	4.309%	Factiva	Gift Aids In Teaching Excellence LAWTON - A love of learning and an appreciation for teaching excellence - those characteristi cs best sum up Harold and Elizabeth Hackler's relationship with Cameron University ...
08/09/1999	3,692,300	951.438	4.309%	SunTrust Robinson	This Week at RH: What Is Working Now
08/10/1999	3,468,100	950.250	(2.309%)	Factiva	Halliburton Wins Angola Work. Halliburton Energy Services announced Monday that it has a $30 million contract to provide s and control and completion services to Elf Exploration Angola's deep-water Girassol oil fiel d in Block 17 offshore Angola. ...
08/11/1999	3,748,500	930.000	(0.490%)		
08/12/1999	1,641,300	949.125	(1.750%)	Factiva	+Halliburton Says Its Analysing All Relevant Factors+:R HAL (MORE) DOW JONES NEWS 08-12-99 08:13 PM
08/12/1999	1,641,300	949.125	(1.750%)	Factiva	Ingersoll-Rand/Ventures -2: Dresser Has Buyout Option WOODCLIFF LAKE, N.J.--(Dow Jones)--Ingersoll-Rand Co. (IR) plans to terminate its two joint v entures with Halliburton Co.'s (HAL) Dresser Industries unit. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/12/1999	1,641,300	849.125	(1.750%)	Factiva	Halliburton/Ingersoll-Rand -2: Under Governing Facts DALLAS (Dow Jones)--Halliburton Co.'s (HAL) Dresser Industries Inc. unit received offers fro m Ingersoll-Rand Co. (IR) to sell its interests in two joint ventures to Dresser ...
08/12/1999	1,641,300	849.125	(1.750%)	Factiva	Dresser/Ingersoll-Rand -3: Can Buy Or Sell Interests Halliburton is analyzing the offers and all relevant factors, but has not decided what actio n it will take. Halliburton has until October 5, 1999 to make decisions. ...
08/12/1999	1,641,300	849.125	(1.750%)	PR News	Halliburton Receives Offers from Ingersoll-Rand
08/12/1999	1,641,300	849.125	(1.750%)	SunTrust Robinson	HAL - Price Target Raised from 855 to 858
08/13/1999	2,160,300	847.938	(2.417%)	Deutsche Bank Rose	Halliburton: Forced Sale/Purchase of Interests in D-R and ICP JVs a Longer-Term Strategic Po sitive
08/13/1999	2,160,300	847.938	(2.417%)	Factiva	Ingersoll-Rand opts out of Dresser ventures Ingersoll-Rand Co., a maker of construction and industrial machinery, offered to sell stakes in two joint ventures to the partner, Halliburton Inc. Ingersoll-Rand values its interest a t $920 million. ...
08/13/1999	2,160,300	847.938	(2.417%)	Factiva	Halliburton may buy I stakes / Ingersoll-Rand is hoping to jettison pair of joint ventures Halliburton said Thursday that Ingersoll-Rand has offered to sell its interests in a pair of joint ventures to Halliburton's Dresser Industries subsidiary.
08/16/1999	1,562,800	847.625	(0.652%)	Factiva	Ingersoll-Rand to call off two joint ventures with Halliburton WOODCLIFF LAKE, N.J. (AP) -- Ingersoll-Rand intends to end two joint ventures with the world 's largest oil service company. Ingersoll-Rand officials have notified Halliburton that they want to break off partnerships in the Dresser-Rand and ...
08/16/1999	1,562,800	847.625	(0.652%)	Factiva	Halliburton Eyes 2 Ingersoll-Rand Ventures Halliburton Co. officials are contemplating offers by Ingersoll-Rand Co. to sell two Ingerso ll-Rand joint ventures with Dresser, which merged with Halliburton last October. ...
08/17/1999	2,376,300	868.750	2.362%	Factiva	Anti-cockfighting group organizes to begin raising funds OKLAHOMA CITY (AP) - Cockfighting opponents organized a political action committee Tuesday, clearing the way for them to raise money for a petition drive to get a ban on the sport on t he next state ballot. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/18/1999	1,846,300	$47.563	(2.436%)	Factiva	Cockfighting opponents organize in Okla. OKLAHOMA CITY - Cockfighting opponents organized a political action committee Tuesday, clear ing the way for them to raise money for a petition drive to get a ban on the sport on the ne xt state ballot. ...
08/18/1999	1,846,300	$47.563	(2.436%)	Factiva	Anti-cockfighting group organizes to begin raising funds OKLAHOMA CITY (AP) - Cockfighting opponents are beginning to raise money to fund a petition drive to get a proposed ban on the sport on the next state ballot. ...
08/18/1999	1,846,300	$47.563	(2.436%)	Factiva	Anti-cockfighting group organizes to begin raising funds OKLAHOMA CITY (AP) - Cockfighting opponents are beginning to raise money to fund a petition drive to get a proposed ban on the sport on the next state ballot. ...
08/18/1999	1,846,300	$47.563	(2.436%)	Factiva	Halliburton Co. Ratings Affirmed; Outlook Stable:S&P>HAL NEW YORK (Dow Jones)--Standard and Poor's said it affirmed its ratings on Halliburton Co. Th e company's ratings outlook remains stable, the rating agency said. ...
08/18/1999	1,846,300	$47.563	(2.436%)	Factiva	Fowl fight foes flocking A group of people who want cockfighting banned in Oklahoma registered as a political action committee Tuesday, laying groundwork that they hope will lead to a statewide vote on the fut ure of the blood sport in November 2000.
08/19/1999	2,556,400	$48.375	1.708%	Factiva	Halliburton Nigeria Offers Union Pay Rise To Avert Strike LAGOS (Dow Jones)--Halliburton Engineering Services Nigeria Ltd. has offered a 10% wage rise to its Petroleum and Natural Gas Senior Staff Association of Nigeria employees as part of a deal to avoid strike action, Kenneth Nzebbor, acting ...
08/19/1999	2,556,400	$48.375	1.708%	Factiva	Edinburgh Festival '99 - Driven to a life of crime. When four youths go joyriding, there are terrible consequences - and a great play. By Rachel Halliburton Theatre Absolute's Car begins with a torrent of words, as a man infuriated by t he theft of his car spews his frustration at the ...
08/19/1999	2,556,400	$48.375	1.708%	Factiva	Halliburton deploys Cape Hawke to Mexico. HALLIBURTON Energy Services has deployed its new well stimulation vessel, the Cape Hawke to Carmen in Mexico, to enhance the company' contract with local state oil-concern Pemex. ...
08/20/1999	1,971,000	$48.000	(0.775%)		
08/22/1999	.	.	.	Factiva	MEETING THE NEW OF COMPANY A I drove to Boca a few weeks ago to address a group of men who have formed a club called Comp any A. "It doesn't have anything to do with the military," Al Shulman explained, as I sat wa iting to go on. "Our wives have their own club called ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/22/1999	.	.	.	Factiva	Epiphanies In which the editor of Book World reveals her long addiction to the delights and delirium of reading, from The Wind in the Willows to Yeats's poetry to a six-week binge on anything set in the land of Oz. ...
08/23/1999	2,406,700	$46.000	0.000%		
08/24/1999	2,742,000	$46.500	(3.125%)		
08/25/1999	3,400,300	$45.000	(5.226%)		
08/26/1999	3,771,600	$45.188	0.417%	Factiva	RESEARCH ALERT - Halliburton, Weatherford raised. NEW YORK, Aug 26 (Reuters) - Banc of America said Thursday that analysts Bill Randol and Tyler Dann raised the rating on oilfield service company Halliburton Co. to buy from market performer. ...
08/27/1999	1,295,800	$45.438	0.553%	Factiva	Stocks Ex-Dividend August 31 Company Amount Authentic Fitness .01 1/4 Dole Food Co Inc .10 Gaylord Entertain .20 Halliburton Co .12 1/2 Home Depot .04 HoraceMannEducators .09 .
08/27/1999	1,295,800	$45.438	0.553%	Factiva	Halliburton sells leafy parcel / Group to build office / retailproject along West Belt cor A real estate group has purchased a prime parcel of West Belt land that will be the cornerst one of a new major corporate office park called Oak Park at Westchase.
08/28/1999	.	.	.	Factiva	Power going private in secret, says ALP. Original Article By Michael Southwell. The Western Australian Opposition has revealed, on 27 August, 1999, that the State Government is privatising Western Power By stealth. Despite no announcements having been made, Western Power has ...
08/30/1999	1,494,400	$44.625	(1.788%)	Factiva	Formation mineral content key to successful sandstone acidizing. THE AUTHOR Rick Gdanski is a scientific advisor in the production-enhancement section at Halliburton's Duncan technology center. His responsibilities include research, and treatment design in the areas of sandstone acidizing and carbonate ...
08/30/1999	1,494,400	$44.625	(1.788%)	Factiva	Precision Drilling Names Larry Comeau President, Computalog NEW YORK -(Dow Jones)- Precision Drilling Corp. (PDS) named Larry Comeau president of its Computalog Ltd unit. In a press release Monday, the oil and gas drilling company said Comeau was division vice president of Halliburton Co.'s (HAL ...
08/30/1999	1,494,400	$44.625	(1.788%)	Factiva	CONSTRUCTION AHEAD/ Today: Toll roads/ County's toll road systems freeway success story Imagine if the Sam Houston Tollway didn't exist. "You'd have to add at least an hour to wherever you were going," said Bill Ferguson, a Halliburton engineering adviser, fueling his pickup at Bellaire and the toll road.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/31/1999	1,876,900	$46.375	3.922%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971584934 3. Report Type P 4. Company Name Hal liburton AS 5. Address PB. 720 6. Postal Code 4001 ...
09/01/1999	1,876,900	$46.375	3.922%	Factiva	Offshore - Rockwater 2 upgraded for Asian demand. Dale Wainwright Halliburton has seen its former diving maintenance vessel Rockwater 2 emerge from a $12m upgrading programme in Singapore, giving a new impetus to its subsea capabiliti es in the Asia Pacific region. ...
09/01/1999	1,616,000	$45.938	(0.943%)	Factiva	Workflow integration.(Geographix launches computer program for seismic and geologic interp Geographix (Halliburton/Landmark) announced its latest version, Geographix Release 99.2(TM). This new release creates a workflow solution to integrate seismic and geologic interpretati on. The version has ...
09/01/1999	1,616,000	$45.938	(0.943%)	Factiva	Hackles Raised At Muja Bid A JOINT venture between Western Power and giant international mining and engineering service s group Halliburton is expected to be awarded a big contract to run the coal handling facili ty at Collie's Muja power station. ...
09/02/1999	1,111,000	$45.313	(1.361%)		
09/03/1999	925,400	$46.000	1.517%	Brown Brothers Har	HAL: INITIATING COVERAGE WITH BUY/BOY RATINGS
09/05/1999				Factiva	Gene Sabatini SABATINI Gene, 86, died Sept. 1, 1999 in OKC. He was born April 28, 1913 in Wilburton, OK to David & Mary (Venturi) Sabatini. He married Cora Sims on Sept. 17, 1934 in Wilburton, OK. H e retired from Halliburton Service as a diesel truck ...
09/07/1999	3,506,500	$48.313	5.027%		
09/08/1999	2,419,100	$47.875	(0.906%)		
09/09/1999	4,705,100	$50.750	6.005%	Factiva	Landmark Opens Second Immersive 3D Facility - Landmark's Decisionarium(TM) Lab Available f DALLAS, Sept. 9 /PRNewswire/ -- Landmark Graphics, a wholly owned business unit of Halliburt on (NYSE: HAL), today announced the opening of its second Decisionarium(TM) lab facility, th is one in Aberdeen, UK. Landmark's Decisionarium lab is ...
09/09/1999	4,705,100	$50.750	6.005%	Factiva	Pacific Exchange Lists 30 New Options SAN FRANCISCO, Sept. 9 /PRNewswire/ -- The Pacific Exchange (PCX) announced today that it in tends to begin trading options on 30 stocks, on Tuesday, September 14, 1999. Allocations to Lead Market Makers, strike prices, cycles, and position ...
09/09/1999	4,705,100	$50.750	6.005%	Factiva	Herschel Glen (Buddy) Banner BANNER Herschel Glen (Buddy) passed away Tuesday, September 7th at Norman Regional Hospital. He was born March 8th, 1915 to Albert and Nola Banner in Choctaw, OK. He was preceded in de

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					eth By his wife Pearl and his infant son Donald. He is ...
09/09/1999	4,705,100	$50.750	6.005%	Factiva	Halliburton Unit Opens Site Modeling Lab In UK >HAL DALLAS (Dow Jones)--Halliburton Co.'s (HAL) Landmark Graphics unit opened a Decisionarium im mersive 3D lab facility in Aberdeen, U.K. In a press release Thursday, the energy services c ompany said the lab allows companies to model and ...
09/09/1999	4,705,100	$50.750	6.005%	Factiva	U.S. CONSOLIDATED CLOSINGS. NAME LAST CHANGE B F GOODRICH CO 39.03 +0.04 GOODYEAR TIRE 55/2 -1/0 WR GRACE CO 18/7 +0/3 H ALLIBURTON CO 50/6 +2/7 H J HEINZ CO 44.01 -1.01 HERCULES INC 32/6 +0/4 HOMESTAKE MINING 8.0 1 ...
09/09/1999	4,705,100	$50.750	6.005%	FX News	Landmark Opens Second Immersive 3D Facility - Landmark's Decisionarium(TM) Lab Available for Lease in Aberdeen -
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Landmark Graphics Corp. LMRK. Landmark Graphics Corp., a wholly owned business unit of Halliburton Co., announced the open ing of its second Decisionarium(TM) lab facility, this one in Aberdeen, U.K. Landmarks Decis ionarium lab is an industry-leading Immersive ...
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Amex to Start Trading a Total of 35 New Options on September 14and 15 NEW YORK, Sept. 10 /PRNewswire/ -- The American Stock Exchange today announced it expects to start trading 35 new options, with eight contracts scheduled to begin trading on Tuesday, S eptember 14, and 27 contracts to start trading on ...
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Cockfighting supporters take fight to courtroom SALLISAW, Okla. (AP) - Gamefowl breeders are taking cockfighting into the courtroom with a l awsuit alleging a cockfight opponent defamed them. ...
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Cockfighting supporters take fight to courtroom SALLISAW, Okla. (AP) - Statements by an opponent of cockfighting have prompted some gamefowl breeders to take legal action. A $20,000 lawsuit in Sequoyah County District Court accuses the Oklahoma Coalition Against Cockfighting and Janet ...
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Amex/New Options -2: New Listings Start Sept. 14, 15 NEW YORK (Dow Jones)--The American Stock Exchange plans to begin trading options on 35 compa nies, including eight on Sept. 14 and 27 on Sept. 15. ...
09/10/1999	3,499,300	$51.438	1.355%	Factiva	Amex Said It Will List CBOE Options NEW YORK -(Dow Jones)- The American Stock Exchange plans to begin trading options on 35 comp anies, including eight on Sept. 14 and 27 on Sept. 15. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/11/1999	.	.	.	Factiva	Roamin' Holiday YOU'RE living in the high-tech fast lane, putting pedal to the designer metal. You've got yo ur Nokia 8110 mobile phone in brushed silver, your Zero Halliburton attache case made from e xtruded aircraft-grade aluminium, your matching chrome ...
09/13/1999	.	.	.	Factiva	Game fowl group sues cockfight opponents SALLISAW - Statements by an opponent of cockfighting have prompted some game fowl breeders t o take legal action. A $20,000 lawsuit in Sequoyah County District Court accuses the Oklahom a Coalition Against Cockfighting and Janet Halliburton ...
09/13/1999	2,239,400	$50.313	(2.187%)	Factiva	Corporate News - Landmark Opens Planning Center. Landmark Graphics, a Halliburton Co. unit, announced last week that it is opening its second virtual reality team-planning center for upstream operations in Aberdeen, Scotland. ...
09/14/1999	2,550,100	$49.063	(2.484%)	Factiva	Halliburton ups estimated cost savings to $500 mln. HOUSTON, Sept 14 (Reuters) - Halliburton Co. , the world's biggest oilfield services company . said on Tuesday it had doubled its estimate of cost savings related to its September 1998 acquisition of Dresser Industries Inc. and its recent ...
09/14/1999	2,550,100	$49.063	(2.484%)	Factiva	Group hopes petition will end cockfighting Calling it the beginning of the end of a cruel and barbaric practice, a group launched its i nitiative petition drive Monday to ban cockfighting in Oklahoma. ...
09/14/1999	2,550,100	$49.063	(2.484%)	RBC Capital Market	HAL: Neutral; DRW Energy Conference Presentation Highlights
09/15/1999	3,145,000	$47.375	(3.439%)	Factiva	Landmark Opens Office in Newfoundland; Office Serves Growing Atlantic Canada Client Base DALLAS, Sept. 15 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton (NYSE: HAL), today announced the opening of a new office in the Halliburton facility in Mount Pearl, Newfoundland, Canada. Landmark ...
09/15/1999	3,145,000	$47.375	(3.439%)	Factiva	Halliburton Unit Opens Newfoundland; Canada Office >HAL DALLAS (Dow Jones)--Halliburton Co.'s (HAL: Landmark Graphics Corp. unit opened an office in Mount Pearl, Newfoundland, Canada. In a press release Wednesday, Landmark Graphics said the office will provide clients with consulting, sales and ...
09/15/1999	3,145,000	$47.375	(3.439%)	PR News	Landmark Opens Office in Newfoundland; Office Serves Growing Atlantic Canada Client Base
09/15/1999	3,145,000	$47.375	(3.439%)	SunTrust Robinson	HAL - Management Expects Larger Cost Savings that Originally Planned
09/16/1999	1,902,400	$47.563	0.396%		
09/17/1999	1,777,700	$47.500	(0.131%)	Factiva	Pedal your way to fitness - and win £1000 for charity. SUPER-active staff at an Aberdeen-based oil company are overcoming all obstacles in a bid to raise thousands of pounds for a North-east project for the disabled. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/17/1999	1,777,700	$47.500	(0.1316)	Factiva	OILFIELD services giant ..... OILFIELD services giant Halliburton has doubled its estimate of cost savings related to its September 1998 acquisition of Dresser Industries and its recent restructuring efforts to abo ut $300 million a year. ...
09/19/1999	.	.	.	Factiva	Key play Only three minutes before, Texas kicker Kris Stockton watched as his 35-yard field-goal atte mpt nudged just outside the left upright. But Stockton got a second chance to redeem himself on the last play of the first half to conclude UT's ...
09/20/1999	2,223,400	$45.000	(5.263%)	Factiva	TransCoastal Announces Election of Richard O. Wilson as Director HOUSTON--(BUSINESS WIRE)--Sept. 20, 1999--TransCoastal Marine Services Inc. (Nasdaq:TCMS) an nounced today that Richard O. Wilson was elected to its Board of Directors on Sept. 8, 1999. Mr. Wilson has over 40 years of management and ...
09/20/1999	2,223,400	$45.000	(5.263%)	Factiva	BMV commemorates 1 millionth transactions through 'motor voter' law INDIANAPOLIS (AP) - When Cynthia Halliburton walked into the Marion County branch of the Bur eau of Motor Vehicles on Monday, she had no idea the she would become part of a celebration. ...
09/20/1999	2,223,400	$45.000	(5.263%)	Factiva	Landmark Eyeing Atlantic Canada. (S$,,$06) DALLAS - Landmark Graphics Corp., the information systems division of Halliburton, wants a piece of the growing Atlantic Canada oil and gas industries. ...
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	TransCoastal Marine Services Inc. TCMS. TransCoastal Marine Services Inc. announced that Richard O. Wilson was elected to its Board of directors Sept. 8. Wilson, with over 40 years of experience in the marine construction in dustry, is currently a director of Cellon Petroleum Inc ...
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	INDIANA 'MOTOR VOTER' PROGRAM PROCESSES MILLIONTH APPLICATION When Cynthia Halliburton walked into the Marion County branch of the Bureau of Motor Vehicle s on Monday, she had no idea the she would become part of a celebration. ...
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	'MOTOR VOTER' LAW CELEBRATED When Cynthia Halliburton walked into the Marion County branch of the Bureau of Motor Vehicle s on Monday, she had no idea the she would become part of a celebration. ...
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594834 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 720 6. Postal Code 4001 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	NYSE Most Actives 9:30-4:00 Composite Trades 22,432,900 America Online 84 1/2 up 1 11/16 10,690,100 Citigroup 42 3/4 dn 1 5/16 10,308,800 Compaq Computer 23 5/16 dn 9/16 10,163,900 AT&T Corp 44 3/8 dn 11/16 9,558,300 Micron Tech 78 1/4 dn 1 3/4 ...
09/21/1999	5,839,200	$42.500	(5.556%)	Factiva	NYSE Most Actives At 2:00 P.M. Amer Online 16,725,100 85 13/16 Up 3 Compaq Compute 7,666,900 23 9/16 Dn 5/16 AT&T 7,414,400 44 1/2 Dn 9/16 CitiGroup 6,720,100 42 5/8 Dn 1 7/16 Micron Tech 6,641,100 77 5/8 Dn 2 3/8 B ank ...
09/22/1999	3,772,500	$42.750	0.588%	Factiva	International Energy Calendar Of Events: July 22-28 Thursday July 22 U.S.: Schlumberger, Halliburton, Murphy Oil Earnings U.S.: U.S.-China Oil a nd Gas Industry Forum (July 21-22) Friday July 23 U.S.: Chevron earnings ...
09/23/1999	2,461,500	$42.125	(1.462%)	Factiva	Halliburton Extendible Comml Notes Rated P-1:Moody's>HAL NEW YORK (Dow Jones)--Moody's Investors Service said Thursday it assigned a Prime-1 short-te rm rating to Halliburton Co.'s (HAL) newly established extendible commercial-note program. . ..
09/24/1999	3,489,000	$40.688	(3.412%)	Factiva	Emerging Company Report: High Resolution Graphics on Surfaces; Online Gaming; Swipe an ATM HOLLYWOOD, Calif., Sept. 24 /PRNewswire/ -- Emerging Company Report, the nationally syndicat ed television program which profiles emerging-growth companies (http://www.emergingcompany. com), features an interview this week with Kolorfusion ...
09/24/1999	3,489,000	$40.688	(3.412%)	SunTrust Robinson	HAL - 1999 ests. trimmed to reflect sluggish foreign activity
09/27/1999	2,169,100	$41.438	1.843%	Factiva	Halliburton Energy signs for meter sales The US oilfield services company Halliburton Energy Services and the Norwegian manufacturer of multiphase meters Roxar ASA have signed an agreement regarding the sale, distribution and use of Roxar's range of topside MFI MultiPhase Meters ...
09/28/1999	3,145,000	$39.063	(5.732%)		
09/29/1999	2,936,600	$40.750	4.320%	Factiva	Anadarko, Sonatrach Sign $770 Million Agreement To Boost Production. Anadarko Petroleum Corp.'s plans to boost crude oil production at its massive Hassi Berkine complex in Algeria took a big step forward Tuesday as it and state Sonatrach signed a $770 m illion engineering, procurement and construction deal to ...
09/29/1999	2,936,600	$40.750	4.320%	Factiva	HALLIBURTON UNIT JOINT VENTURE WINS $331 MILLION CONTRACT. IF ALL OPTIONS EXECUTED CONTRACT COULD HAVE AN ULTIMATE VALUE OF $770 MILLION. :: PR Newswir e, London, September 29. This press release is transmitted on behalf of Halliburton Company. ...
09/29/1999	2,936,600	$40.750	4.320%	Factiva	*Halliburton Unit Joint Venture Gets $331M Algeria Pact (MORE) DOW JONES NEWS 09-29-99 11:40-AM

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/29/1999	2,936,600	$40.750	4.320%	Factiva	*Halliburton Unit Venture Pact Worth $770M With Options (MORE) DOW JONES NEWS 09-29-99 11:42 AM
09/29/1999	2,936,600	$40.750	4.320%	Factiva	News Highlights: Halliburton Unit Venture Gets $331M Pact Top of the Hour Halliburton Unit Joint Venture Gets $331M Algeria Pact >HAL Sbecro Closes Going-Private Transaction >SBA Clinton OKs Pay Raises For Congress. Next President >G/EXE IBM Completes Acquisition Of Mylex Corp. >IBM ...
09/29/1999	2,936,600	$40.750	4.320%	Factiva	Halliburton Unit/Venture Pact -2: For Facility Expansion DALLAS (Dow Jones)--Brown & Root-Condor, a joint venture company of Halliburton Co.'s (HAL) Brown & Root Energy Services unit, received a $331 million contract from Anadarko Petroleum Corp.'s (APC) Anadarko Algeria Corp. unit and Sonatrach ...
09/29/1999	2,936,600	$40.750	4.320%	Factiva	Oil-Service Stocks Rally As Crude Prices Strengthen Again NEW YORK -(Dow Jones)- Shares of oil-service stocks got a boost Wednesday as crude prices rallied again on the New York Mercantile Exchange. ...
09/29/1999	2,936,600	$40.750	4.320%	PR News	Halliburton Unit Joint Venture Wins $331 Million Contract; If All Options Executed Contract Could Have an Ultimate Value of $770 Million
09/30/1999	2,304,000	$41.000	0.613%	Factiva	Mixed Fortunes. Halliburton chief Dick Cheney could also do well. He was awarded 100,000 options in December at an exercise price of just over $28. Halliburton shares were trading at around $43 late last month, which leaves the former US defense secretary ...
09/30/1999	2,304,000	$41.000	0.613%	Factiva	CORRECTED - Halliburton has no comment on Petroleum Geo rumours. In DALLAS story headlined "Halliburton has no comment on Petroleum Geo rumours" please read in third paragraph ... halliburton's stock closed 25 cents firmer at $41 ... instead ...
09/30/1999	2,304,000	$41.000	0.613%	Factiva	PGS jumps 10 pct on Halliburton bid rumours. OSLO, Sept 30 (Reuters) - Shares in offshore services and seismic company Petroleum Geo-Services jumped more than 10 percent on Thursday on rumours of a possible takeover bid by U.S. Halliburton , dealers said. ...
09/30/1999	2,304,000	$41.000	0.613%	Factiva	Brown & Root Wins Contract. Brown & Root Energy Services, a unit of Halliburton Co., said Wednesday that a contract has been awarded to Brown & Root-Condor - a joint venture company between Brown & Root and Condor Engineering S.p.A. - by Algerian national oil company ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/01/1999	1,586,800	$41.813	1.982%	Factiva	Interpretation environment.(Technology Trends)(Geographix's Geographix Discovery software) Geographix (Halliburton/Landmark) released Geographix Discovery, an integrated geoscience interpretation environment for the geologist, geophysicist, and petrophysicist. It runs under Windows NT(R) and provides access to: ...
10/01/1999	1,586,800	$41.813	1.982%	Factiva	Offshore Europe 99, accident databank.(Brief Article) The 14th Biennial Offshore Europe Conference and Exhibition held in Aberdeen, September 7-10, was an important and well-organized event. Despite the fact that several large service companies, including Schlumberger and Halliburton, were ...
10/01/1999	1,586,800	$41.813	1.982%	Factiva	Waukesha Engine Division. Advanced design Waukesha engines are designed to operate gas compression equipment at gas and oil storage facilities, in refineries and on oil production platforms. Waukesha Engine Division, Dresser Equipment Group Inc., a business unit of ...
10/01/1999	1,586,800	$41.813	1.982%	Factiva	Halliburton Unit Wins $200M Contract For Work In Nigeria WASHINGTON (Dow Jones)--Dresser Kellogg Brown & Root Inc., a unit of Halliburton Co.'s (HAL) Kellogg Brown & Root Inc., has won a contract valued at more than $200 million from Shell Petroleum Development Co. of Nigeria (RD) for grass-roots ...
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	Halliburton to exit two ventures, sees lower Q3 eps. DALLAS, Oct 4 (Reuters) - Halliburton Co., the world's biggest oil field services company, said Monday it would sell its stake in two joint ventures to partner Ingersoll-Rand Co. for about $1.1 billion in cash. ...
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	+Halliburton Unit To Sell Stakes In 2 Ventures >HAL (MORE) DOW JONES NEWS 10-04-99 04:01 PM
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	Halliburton/Stakes -2: First Call 3Q Net View 13c/Shr DALLAS (Dow Jones)--Halliburton Co.'s (HAL) Dresser Industries Inc. unit plans to sell its interests in two joint ventures to Ingersoll-Rand Co. (IR) for about $1.1 billion in cash. ..
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	Halliburton/Stakes -3: First Call 4Q View Net 25c/Shr Halliburton said it expects to report earnings of 11 cents to 13 cents a diluted share for the third quarter. Halliburton also expects to record a gain of $380 million, or 84 cents a diluted share, in the fourth quarter on the sale of the ...
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	News Highlights: Halliburton Sees 3Q Net Below Views Top Of The Hour Halliburton Sees 3Q Net at 11c-13c/Shr, Below 19c/Shr View>HAL Condor Tech President, Oper Chief Roche Resigns >CNDR Adept Tech Puts 1Q Oper Loss At 19c-21c/Shr; Below 9c Earns View >ADTK -N.Y. Stocks Rally ...
10/04/1999	1,524,000	$39.750	(4.933%)	Factiva	Halliburton/Stakes -4: Sees Closing Dec. 30 >HAL IR Dresser Industries will sell its 51% interest in Dresser Rand for $595 million, and its 49% interest in Ingersoll Dresser Pump for $515 million, Halliburton said. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/04/1999	1,524,000	839.750	(4.933%)	Factiva	Halliburton/Stakes -5: Won't Hurt Buy Accounting Method Halliburton said that based on its analysis, advice from its independent auditors and consul tations with the Securities and Exchange Commission, the sales won't adversely affect the po oling of interests methods of accounting used for the ...
10/04/1999	1,524,000	839.750	(4.933%)	Factiva	Halliburton/Stakes-6: Energy Svcs Net 'Flat' To Slightly Up Halliburton also said a decline in its downstream engineering and construction business segm ent hurt its third-quarter results. However, Halliburton said the decline at the engineering segment was offset by $20 million in interest income ...
10/04/1999	1,524,000	839.750	(4.933%)	Factiva	Halliburton: Ingersoll-Rand Offer Too Good To Refuse PHOENIX (Dow Jones)--Analysts were mildly pleased with Halliburton Co.'s (HAL) decision to s ell its interests in two joint ventures to Ingersoll-Rand Co. (IR). ...
10/04/1999	1,524,000	839.750	(4.933%)	Factiva	Halliburton Sells Stakes In Joint Ventures For $1.1 Billion DALLAS -(Dow Jones)- Oil-services company Halliburton Co. Monday said its Dresser Industries Inc. unit agreed to sell its interests in two joint ventures to Ingersoll-Rand Co. for abou t $1.1 billion in cash. ...
10/04/1999	1,524,000	839.750	(4.933%)	PR News	Oil Services Stocks Primed for an Upturn
10/04/1999	1,524,000	839.750	(4.933%)	PR News	Halliburton to Sell Two Joint Ventures, Announces Earnings Outlook
10/05/1999	14,721,200	834.500	(13.208%)	Brown Brothers Har	Halliburton
10/05/1999	14,721,200	834.500	(13.208%)	Brown Brothers Har	HAL: REDUCING 1999 EPS ESTIMATE; MAINTAINING BUY/BUY RATINGS
10/05/1999	14,721,200	834.500	(13.208%)	CIBC World Markets	HAL: Sells Interest in Two Joint Ventures
10/05/1999	14,721,200	834.500	(13.208%)	Deutsche Bank Rese	Halliburton: Sales of D-R/IDF Businesses a Positive, But Reducing 1999/2000 EPS Estimates
10/05/1999	14,721,200	834.500	(13.208%)	Factiva	Zero Halliburton Introduces Two New Notebook Computer Carrying Cases to Its Line of Produc SALT LAKE CITY--(BUSINESS WIRE)--Oct. 5, 1999--Zero Halliburton, a unit of APW Zero Cases, T uesday introduced the Z7 and the Z9, two lightweight, aluminum cases that extend the family of four Zero Notebook computer carrying cases. ...
10/05/1999	14,721,200	834.500	(13.208%)	Factiva	State oil company and US partner jointly to develop southern oilfield. Source: Algerian radio, Algiers, in Arabic 1200 gmt 28 Sep 99 The Algerian oil company Sonat rach and its American partner, Anadarko, have announced a 770m-dollar deal between their joi nt subsidiary company and the American firm, Halliburton ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NEWS DIGEST - COMPANIES & FINANCE - INTERNATIONAL - Halliburtonquits joint ventures. Halliburton, the Dallas-based oilfield equipment and services concern, yesterday said it had decided to sell its interests in two energy equipment manufacturing joint ventures to its p artner, Ingersoll-Rand, for $1.1bn in cash. ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Ingersoll-Rand to buy two ventures for $925 mln. NEW YORK, Oct 5 (Reuters) - Ingersoll-Rand Co. said Tuesday it would pay close to $1 billion for shares in two underperforming joint ventures, sending the industrial equipment maker's stock lower. ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Halliburton shares hammered after earnings warning. NEW YORK, Oct 5 (Reuters) - Shares of Halliburton Co. were hammered on Tuesday after the wor ld's largest oil services company warned that its third-quarter earnings would fall short of analysts' estimates. ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Hot Stocks To Watch: HAL IR Company Company News Halliburton Halliburton's Dresser Industries unit Mon. close 39 3/4 wil l sell stakes in two ventures to Up 2 1/16, 4.9% Ingersoll-Rand (IR) for $1.1B 1.5M Shares (full story under ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	*Ingersoll-Rand Confirms To Buy 2 Halliburton Ventures>IR (MORE) DOW JONES NEWS 10-05-99 09:54 AM
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	*Ingersoll-Rand To Pay $925M Cash In Halliburton Deal>IR (MORE) DOW JONES NEWS 10-05-99 09:55 AM
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Ingersoll-Rand Outlook -2: 3Q In Line With Analysts >IR WOODCLIFF LAKE, N.J. (Dow Jones)--Ingersoll-Rand Co. (IR) expects to record "record" third-q uarter earnings that are in line with analysts' expectations, and sees improved results in f iscal 2000. ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NYSE Most Actives At 12:00 P.M. Mattel Inc 11,089,800 13 Up 1 1/8 AT&T 10,639,500 44 7/8 Up 1 1/8 Sprint (FON Gr 9,742,600 6 0 1/16 Dn 13/16 Halliburton Co 7,480,300 34 1/2 Dn $ 1/4 CitiGroup 7,261,000 45 5/8 Up 15/16 ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	*Oil Stks Dn; Pressure Seen From Halliburton Stake Sales (MORE) DOW JONES NEWS 10-05-99 03:16 PM
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NYSE Most Actives 9:30-4:00 Composite Trades 24,779,400 AT&T Corp 45 1/8 up 1 3/8 22,831,000 America Online 113 1/2 up 4 3/8 19,931,900 M attel Inc 12 11/16 up 13/16 17,372,900 Sprint FON Grp 58 7/8 dn 2 17,263,000 Citigroup 45 3/

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					16 up 1/2 14,691 ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NYSE Most Actives 9:30-5:15 Composite Trades 24,786,300 AT&T Corp 45 up 1 1/4 22,884,400 America Online 113 1/2 up 4 3/8 19,932,700 Matte l Inc 12 3/4 up 7/8 17,385,100 Sprint FON Grp 58 7/8 dn 2 17,300,100 Citigroup 44 7/8 up 3/1 6 14,721 ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	N.Y. Late Market Comment -5: Veritas Up 8.8% Veritas Software moved ahead 6 29/32 to 85 on Nasdaq. Credit Suisse First Boston said the Mo untain View, Calif., storage-management software developer should top the firm's earnings es timates, after Microsoft selected a Veritas product for ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Oil Stks On -2: Halliburton Off 13%, Rowan Drops 6% NEW YORK (Dow Jones)--Stocks of both oil equipment and services companies and oil drilling c ompanies dropped across the board Tuesday, under combined pressure from increased output and a third-quarter profit warning from Halliburton Co ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NYSE Most Actives At 10:00 A.M. Mattel Inc 4,733,500 12 9/16 Up 11/16 Micron Tech 4,588,500 78 7/16 Up 2 1/16 AT&T 4,366,900 44 13/16 Up 1 1/16 Sprint (FON Gr 3,170,700 62 3/8 Up 1 1/2 CitiGroup 3,095,700 45 11/16 Up 1 Amer ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	NYSE Most Actives 9:30-5:15 Composite Trades 24,786,300 AT&T Corp 45 up 1 1/4 22,884,400 America Online 113 1/2 up 4 3/8 19,932,700 Matte l Inc 12 3/4 up 7/8 17,385,100 Sprint FON Grp 58 7/8 dn 2 17,300,100 Citigroup 44 7/8 up 3/1 6 14,721 ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Earnings Warning Pressures Shares Of Oil-Services Firm Halliburton NEW YORK -(Dow Jones)- Shares of oil-field services giant Halliburton Co. slumped Tuesday af ter the firm said its third-quarter earnings won't meet Wall Street forecasts and announced the sale of its interest in two joint ventures. ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	Daily Update -- Utilities DTE, MCN To Combine In $2.6 Billion Deal Dow Jones Interactive Energy Update for October 5, 1999 Today's top stories as of 4 p.m. EDT : - DTE Energy Will Acquire MCN Energy In $2.6 Billion Deal ...
10/05/1999	14,721,200	$34.500	(13.208%)	Factiva	BRIEFLY / OIL SERVICES Halliburton to Sell Stake in 2 Ventures Halliburton Co., the world's biggest oil field services company, said it will sell its stake in two joint ventures to partner Ingersoll-Rand Co. for about $1.1 billion in cash. Dallas-based Halliburton also warned that poor results from the ...
10/05/1999	14,721,200	$34.500	(13.208%)	PR News	Landmark's DEX(TM) Provides Open Data Exchange Technology for Drilling Software
10/05/1999	14,721,200	$34.500	(13.208%)	RBC Capital Market	HAL: Neutral; Halliburton Selling Joint-Venture Interests; Expects To Miss Previous Third-Qua rter Guidance

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/05/1999	14,721,200	$34.500	(13.208%)	SunTrust Robinson	HAL - Energy Equip. JVs to be Sold; Earnings Shortfall Announced
10/06/1999	10,898,900	$35.438	2.717%	Factiva	Landmark Graphics Corp. LMRK. Landmark Graphics Corp., a wholly owned business unit of the Halliburton Co., has announced the release of DEX(TM), non-proprietary data exchange technology that enables interoperabili ty between disparate drilling applications. DEX ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	RESEARCH ALERT - Halliburton rating upgraded. NEW YORK, Oct 6 (Reuters) - Credit Suisse First Boston and Warburg Dillon Read said separate ly on Wednesday that their analysts had raised investment ratings on Halliburton Co. , the w orld's largest oil service company. ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	MERGERS & ACQUISITIONS - Halliburton to Sell Stakes. Halliburton, the world's biggest oil field services company, said Monday that it will sell i ts stake in two joint ventures to partner Ingersoll-Rand for about $1.1 billion in cash. ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	NYSE Most Actives At 12:00 P.M. Homestake Mini 12,635,700 9 11/16 Dn 3/16 Sprint (FON Gr 10,797,400 62 3/16 Up 3 5/16 Amer O nline 10,379,600 117 Up 3 1/2 AT&T 7,621,200 45 15/16 Up 15/16 Halliburton Co 6,637,700 35 5 /8 Up 1 1/8 ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	NYSE Most Actives 9:30-4:00 Composite Trades 21,126,900 America Online 118 1/16 up 4 9/16 18,834,900 Sprint FON Grp 63 15/16 up 5 1/16 15 ,385,100 AT&T Corp 46 1/2 up 1 1/2 15,322,000 Homestake 9 7/8 unch 11,839,600 Mattel Inc 13 5/16 up 9/16 10,898 ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	NYSE Most Actives 9:30-5:15 Composite Trades 21,248,300 America Online 120 up 6 1/2 18,910,900 Sprint FON Grp 64 up 5 1/8 15,424,300 AT&T Corp 46 9/8 up 1 5/8 15,322,000 Homestake 9 7/8 unch 11,906,200 Mattel Inc 13 5/16 up 9/16 10,898 ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	NYSE Most Actives At 10:00 A.M. Homestake Mini 10,446,400 9 5/16 Dn 9/16 Amer Online 4,597,400 116 Up 2 1/2 AT&T 3,050,700 4 5 1/2 Up 1/2 Sprint (FON Gr 2,996,600 60 3/4 Up 1 7/8 Halliburton Co 2,370,600 34 3/4 Up 1/4 ...
10/06/1999	10,898,900	$35.438	2.717%	Factiva	MARKET SAVVY More Profit Bombs Fall on Shareholders Wall Street:Shares of Halliburton, Con Earnings trackers on Wall Street say there's still no reason to think third-quarter corporat e results overall will be anything but stellar, but you wouldn't know it from the number of bombs dropping. ...
10/06/1999	10,898,900	$35.438	2.717%	Jefferies & Compan	Halliburton Company: Stock Collapses On Profit Warning; Underperforming Assets To Be Sold

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/06/1999	10,898,900	435.438	2.717%	PR News	Featured Articles from S&P Personal Wealth
10/07/1999	4,928,100	933.938	(4.233%)	Factiva	Coflexip, Geophysique shares fell on profit warning from US company. Shares in oil services groups Coflexip and Geophysique were affected yesterday by the profit warning issued on October 5 by one the world leaders in the sector, Halliburton of the US. Coflexip shares fell 4.6% to EUR 84 (FFr 551) following ...
10/07/1999	4,928,100	933.938	(4.233%)	Factiva	NYSE Most Actives At 10:00 A.M. Amer Online 7,087,100 121 1/2 Up 1 1/2 Micron Tech 2,767,900 70 11/16 Dn 6 1/16 Intl Busines s 2,757,800 116 1/16 Dn 3 1/8 AT&T 2,600,000 46 9/16 Dn 1/16 Compaq Compute 2,388,900 22 1/8 Dn 1/8 Adv ...
10/08/1999	5,444,000	834.125	0.552%	Factiva	Halliburton sparks oil services share slide. Shares in oil services giant Halliburton plummeted more than 6% on Tuesday, prompting a slid e in the value of other oil service stocks, writes Amy McLellan. ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	CARRYING CASES If your laptop leads a hard life on the road, you might consider a really tough case. Zero H alliburton (800 314-2247 or www.zerohalliburton.com) , well known for its cases, offers two sizes of laptop holders, the $169.95 and the $199.95 ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	Halliburton subsidiary offers explosive new way to tenderize your meat BUENA VISTA, Va. (AP) -- Coming soon to your supermarket meat counter: a dynamite new way to tenderize cube steaks, pot roasts and brisket. ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	Surfactant-spacer fluids customized using new technology. (5 graphs). A new technology for the evaluation of wettability of diesel-based muds for displacement is described and discussed. Kinetics and theory were covered previously (Ibid. 97(40), Oct 6, p .71). A new surfactant-spacer mixture, developed by ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	NYSE Most Actives At 12:00 P.M. Xerox Corp 9,755,300 32 3/8 Dn 1/8 Abercrombie A 5,724,500 34 7/16 Up 7/16 Amer Online 4,982 ,900 120 11/16 Dn 1 1/8 Compaq Compute 4,838,100 21 5/16 Dn 7/16 Lucent Technol 4,611,400 65 1/8 Up 1 1/8 AT& ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	NYSE Most Actives At 1:00 P.M. Xerox Corp 11,,22,700 32 7/16 Dn 1/16 Compaq Compute 6,741,300 21 1/2 Dn 1/4 Abercrombie A 6 ,404,600 34 3/8 Up 3/8 Amer Online 5,646,300 120 1/4 Dn 1 9/16 Lucent Technol 5,575,200 65 1 /16 Up 1 1/16 AT ...
10/11/1999	4,288,600	836.188	6.044%	Factiva	NYSE Most Actives At 12:00 P.M. Xerox Corp 9,755,300 32 3/8 Dn 1/8 Abercrombie A 5,724,500 34 7/16 Up 7/16 Amer Online 4,982 ,900 120 11/16 Dn 1 1/8 Compaq Compute 4,838,100 21 5/16 Dn 7/16 Lucent Technol 4,611,400 65 1/8 Up 1 1/8 AT& ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/12/1999	4,703,100	$36.688	1.382%	Factiva	NYSE Most Actives At 12:00 P.M. Compaq Computa 14,178,500 23 3/16 Up 1 5/16 Rite Aid Corp 9,560,600 10 5/8 Up 5/8 Sprint PCS Grp 8,347,500 71 15/16 Dn 2 1/2 Abbott Labs 7,547,100 40 1/4 Dn 1 3/16 Mattel Inc 6,399,800 13 5/8 Up 1 Xerox ...
10/12/1999	4,703,100	$36.688	1.382%	Factiva	NYSE Most Actives At 1:00 P.M. Compaq Computa 17,488,500 23 3/8 Up 1 1/2 Rite Aid Corp 10,743,800 10 1/2 Up 1/2 Sprint PCS Grp 9,586,900 72 1/8 Dn 2 5/16 Mattel Inc 7,869,600 13 9/16 Up 15/16 Abbott Labs 7,638,900 4 0 1/8 Dn 1 5/16 ...
10/13/1999	3,337,600	$37.063	1.022%		
10/14/1999	2,208,200	$36.750	(0.843%)		
10/15/1999	3,823,400	$34.625	(5.782%)	Factiva	Public tricked by petition TO THE EDITOR: Regarding "A Legal Sideshow" (editorial, Oct. 8): The ballot initiative proce ss, which allows citizens to decide whether or not to put a question to a vote, can work onl y if the public has a true understanding of the question ...
10/15/1999	3,823,400	$34.625	(5.782%)	Factiva	Oil Svc Companies 3rd Quarter Not Seen Benefiting From Crude Price Jump NEW YORK -(Dow Jones)- Bellwether oil-service companies Halliburton Co. (HAL) and Baker Hugh es Inc. (BHI) already have released third-quarter profit warnings. ...
10/16/1999	.	.	.	Factiva	OF REGIONAL INTEREST AMONG COMPANIES DEALS . . OF REGIONAL INTEREST . 'Ingersoll-Dresser Pump Co., which has a plant in Phillipsburg, N .J., will beSold because neither parent company in the joint venture wants it anymore.Hallib urton Co., which owns Dresser Industries, decided to ...
10/18/1999	2,471,100	$33.875	(2.166%)	Factiva	STILL DRILLS Oil prices have shot up lately, but shares of oil field service company Halliburton are head ing the other way. On Oct. 5, shares of the Dallas company fell 13%, to 34 1/2, after warnin ge that third-quarter earnings would miss estimates ...
10/18/1999	2,471,100	$33.875	(2.166%)	Factiva	Two firms advance Kazakhstan projects. Several gas fields were discovered in Kazakhstan during the Soviet regime, but were not deve loped. American companies are investigating these fields. American International Petroleum C orp, New York, USA, is hoping to sign a sales contract ...
10/18/1999	2,471,100	$33.875	(2.166%)	Factiva	In Contrast To Oilfield Peers, Schlumberger Hosts Views NEW YORK -(Dow Jones)- Wall Street gave a sigh of relief Monday morning after oil-services c ompany Schlumberger Ltd. (SLB) met earnings expectations of 25 cents a share for the third q uarter. ...
10/19/1999	2,035,400	$34.438	1.661%	Factiva	Company Profile For - Halliburton AS. 1. Transaction-Type-01 2. Registration-Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 720 6. Postal Code 4001 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/19/1999	2,035,400	$34.438	1.661%	PR News	Halliburton Invites You to Join Its 1999 Third Quarter Conference Call on The Web
10/20/1999	2,720,200	$35.750	3.811%	PR News	Halliburton Invites You to Join Its 1999 Third Quarter Conference Call on The Web
10/21/1999	2,307,300	$37.250	4.196%	CIBC World Markets	HAL: 3Q99 Results in Line with Pre-announcement
10/21/1999	2,307,300	$37.250	4.196%	Factiva	TABLE-Halliburton Q3 dil shr profit vs loss. First Call/Thomson Financial estimate: $0.12 per share DALLAS, Oct. 21 (Reuters) - Quarter E nded Nine Months Ended September 30 September 30 1999 1998 1999 1998 Millions of dollars exc ept per ...
10/21/1999	2,307,300	$37.250	4.196%	Factiva	FOCUS-Halliburton sees energy business improvement. DALLAS, Oct 21 (Reuters) - Halliburton Co., the world's biggest oilfield services firm, said on Thursday its core Energy Services business saw a modest recovery in the third quarter wh ich it expects to continue in subsequent quarters. ...
10/21/1999	2,307,300	$37.250	4.196%	Factiva	Halliburton 3rd Quarter Net 13 Cents/Diluted Share Vs Loss $1.20 Halliburton Co. - Dallas 3rd Quar Sept. 30: 1999 1998 Revenues $3,533,000,000 $4,224,000,000 Inc bef adj $8,000,000 ($27,000,000) Net income $8,000,000 ...
10/21/1999	2,307,300	$37.250	4.196%	Factiva	News Highlights:Nasdaq Delays After-Hrs Trading To Nov 15 Top of the Hour Nasdaq Web Site Says Extended Hours Delayed To Nov. 15 >N/NDQ Citigroup Offe rs To Buy Student Loan Corp. For $45/Shr >C Reebok Intl 3Q Net 6c/Shr Vs 50c >RBK Halliburto n 3Q Net 13c/Diluted Shr Vs Loss $1.20 >HAL ...
10/21/1999	2,307,300	$37.250	4.196%	Factiva	Halliburton Met Diminished Street Expectations For 3rd Quarter NEW YORK -(Dow Jones)- Oil-service giant Halliburton Co. swung to a third-quarter profit tha t was in line with reduced Wall Street projections. ...
10/21/1999	2,307,300	$37.250	4.196%	Factiva	Halliburton Recovery Expected To Be Long, Slow One By Anthony Palazzo LOS ANGELES -(Dow Jones)- The worst is behind Halliburton Co. (HAL), anal ysts agree, but the recovery isn't going to be a moon-shot, by any means. ...
10/21/1999	2,307,300	$37.250	4.196%	PR News	Halliburton Reports 1999 Third Quarter Earnings
10/22/1999	2,344,400	$38.625	3.691%	Deutsche Banc Rese	Halliburton: Reported 3Q99 in Line w/Estimate; 1999 Estimate Raised
10/22/1999	2,344,400	$38.625	3.691%	Factiva	HALLIBURTON SUFFERS US giant Halliburton reported a 16% reduction in revenue for the third quarter, with last ye ar's takeover of Dresser Industries having proven extremely problematic. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/22/1999	2,344,400	$38.625	3.691%	RBC Capital Market	HAL: Neutral: Halliburton Announces Results In Line With Previous Guidance
10/22/1999	2,344,400	$38.625	3.691%	SunTrust Robinson	HAL - Sept Q Earnings at $0.13/ In-line with Pre-Release
10/25/1999	2,627,300	$39.000	0.971%	Factiva	BRAZIL'S BARRACUDA STILL OUT THERE Contractors hoping to reel in a big catch on Petrobras' Barracuda and Caratinga fields offsh ore Brazil will have to remain patient for a few more days. ...
10/25/1999	2,627,300	$39.000	0.971%	Factiva	'Buyers must exploit back-to-back tickets' Back-to-back ticketing was once again in the spotlight at Business Travel '99 Manchester, wh ere Halliburton Company travel manager Robert Daykin encouraged buyers to exploit loopholes to save money "If the deals are not illegal".Mr Daykin ...
10/25/1999	2,627,300	$39.000	0.971%	Factiva	Halliburton Earnings Shoot Up. A worldwide drop in drilling activity reduced Halliburton's third-quarter revenue, but its e arnings soared from last year's loss, which was triggered by special charges for its merger with Dresser Industries and other restructuring. ...
10/25/1999	2,627,300	$39.000	0.971%	Factiva	'Buyers must exploit back-to-back tickets'. Back-to-back ticketing was once again in the spotlight at Business Travel '99 Manchester, wh ere Halliburton Company travel manager Robert Daykin encouraged buyers to exploit loopholes to save money "If the deals are not illegal". ...
10/26/1999	2,857,200	$38.313	(1.763%)	PR News	Halliburton Business Units Selected as Preferred Bidder for Offshore Brazil Barracuda and Ca ratinga Fields
10/26/1999	2,857,200	$38.313	(1.763%)	PR News	Landmark Resets the Industry Standard With Interpret2000 - Preferred Integrated Interpretati on Suite Now Even Faster, Easier to Use And More Cost-Effective for Global E&P Productivity
10/27/1999	2,854,700	$37.000	(3.426%)	Brown Brothers Har	HAL: REDUCING ESTIMATES, MAINTAINING BUY
10/27/1999	2,854,700	$37.000	(3.426%)	Factiva	BROWN & ROOT'S BRAZILIAN DOUBLE Halliburton/Brown & Root have clinched one of the year's biggest prizes by coming out on top in the battle to build field facilities for Petrobras' major Barracuda and Caratinga deepwa ter field development offshore Brazil. ...
10/27/1999	2,854,700	$37.000	(3.426%)	Factiva	BARRACUDA AND CARATINGA BAGGED Halliburton/Brown & Root have clinched the big deal in Brazil to build field facilities for the Petrobras Barracuda and Caratinga fields. The contractor trumpeted its victory over ABB.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					Aker and Kvaerner for the estimated US $2.5 Bn deal by ...
10/27/1999	2,854,700	$37.500	(3.4286)	Factiva	LATIN AMERICA - Halliburton Units Picked for Job. Side by Brown & Root Energy Services and Halliburton Energy Services, both business units of Halliburton Co., have been selected by Barracuda & Caratinga Development Corp. (BCDC) for t he development of both the Barracuda and Caratinga ..
10/28/1999	3,186,700	$37.063	0.1694	Factiva	Halliburton CEO urges lobbying to aid industry *** Official cites misperception of oil fir LAFAYETTE - The future of the oil and gas industry depends on better efforts in political lo bbying and keeping up with ever-rising demand, a former secretary of defense said Wednesday. ...
10/28/1999	3,186,700	$37.063	0.1694	Factiva	Halliburton - CEO BILL TUCKER, CNNfn ANCHOR, MARKET COVERAGE: Meantime, let's talk about the Business Council. Their meeting is underway, their semiannual meeting. And they're down at Boca Raton, Florid a. It is a three-day gathering of the nation's top ...
10/28/1999	3,186,700	$37.063	0.1694	Factiva	SQUAWK BOX - Halliburton - Chairman & CEO - Interview (CORRECTED COPY) MARK HAINES, CNBC-SQUAWK BOX ANCHOR: All right. Let's talk to Dick Cheney. He runs Halliburton (URL: http://www.halliburton.com/) . Halliburton, of course, is a major player in the oil services industry, one which has had ...
10/28/1999	3,186,700	$37.063	0.1694	Factiva	PR Newswire Southwest Summary, Thursday, Oct. 28, to 18:00 EDT *** TEXAS *** DATH033 10/28/1999 12:03 r f bc-TX-Coastal-Corp-FERC (HOUSTON) Coastal's Gulfs tream Application Continues Certification Process NETH021 10/28/1999 12:05 r f bc-TX-Anti-Sl avery-Group ...
10/28/1999	3,186,700	$37.063	0.1694	Factiva	Halliburton Declares 12.5 Cents Reg Quarterly Dividend Pay Dec. 22, record Dec. 1. 12:08 PM
10/28/1999	3,186,700	$37.063	0.1694	Factiva	REPEAT: Halliburton Declares 12.5 Cents Reg Quarterly Dividend Pay Dec. 22, record Dec. 1. 12:29 PM
10/28/1999	3,186,700	$37.063	0.1694	PR News	Halliburton 1999 Fourth Quarter Dividend
10/29/1999	2,745,900	$37.688	1.6869	Brown Brothers Har	HALLIBURTON COMPANY
10/29/1999	2,745,900	$37.688	1.6869	Factiva	CHENEY'S HALLIBURTON VISION The upturn is coming, and service giant Halliburton is ready for it, according to chairman D ick Cheney in remarks to the Louisiana Gulf Coast Oil Exposition. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/29/1999	2,745,900	$37.688	1.6866%	Factiva	HALLIBURTON SUFFERS US giant Halliburton reported a 16% reduction in revenue for the third quarter, with last ye ar's takeover of Dresser Industries having proven extremely problematic. ...
10/29/1999	2,745,900	$37.688	1.6866%	Factiva	HALLIBURTON HALLIBURTON has confirmed that its Brown & Root unit has been selected by Petrobras as prefe rred bidder on the giant Barracuda-Caratinga turnkey development project off Brazil. It beat off competition from ABB, Aker Maritime and Kvaerner ...
10/29/1999	2,745,900	$37.688	1.6866%	Factiva	Halliburton is king of castle. HALLIBURTON has landed a $35 million contract to provide sand control and completion service s for all of Shell Brunei's fields. "This contract, combined with other Halliburton Energy S ervices wins in Brunei for directional drilling and ...
11/01/1999	3,166,300	$38.750	2.8139%	Factiva	STIM STAR stimulation leads to Gulf record From: Gulf of Mexico Newsletter -- Halliburton's Stim Star used the seawater-based FracPac s ervice to stimulate production from Shell Offshore's Ursa well; the treatment was performed at 38 bbl/min, injecting 95,000 lbs of proppant into the ...
11/01/1999	3,166,300	$38.750	2.8139%	Factiva	Joint venture to deliver gas to South Europe A Kellogg Brown & Root joint venture has signed a contract with BP Amoco to provide pre-sanc tion engineering for Sonatrach and BP Amoco's $2.3 billion In Salah gas venture in Algeria. JGC from Japan is Kellogg Brown & Root's partner in the ...
11/01/1999	3,166,300	$38.750	2.8139%	Factiva	Halliburton unit joint venture wins major contract. Brown & Root-Condor, a joint venture company between Brown & Root and Condor Engineering SPA , has been awarded a major contract by Sonatrach, the Algerian national oil company, and Ana darko Algeria Corp., a U.S. oil company. The award is ...
11/01/1999	3,166,300	$38.750	2.8139%	Factiva	Yokogawa Electric Corp.(In alliance with Dresser Equipment)(Brief Article) Yokogawa Electric Corp., Tokyo, Japan, and Dresser Equipment Group, Inc. (DEG), a business u nit of Halliburton Co., have entered into a customer-focused alliance to develop and market FOUNDATION field-bus products, integrated systems and ...
11/01/1999	3,166,300	$38.750	2.8139%	Factiva	Halliburton Energy Services.(Brief Article) Halliburton Energy Services has won a contract from Brunei Shell Petroleum to provide sand c ontrol and completion services for the company's fields in Brunei.
11/01/1999	3,166,300	$38.750	2.9139%	Factiva	Oilfield and services group Halliburton is reported to be planning to sell its interests i Oilfield and services group Halliburton is reported to be planning to sell its interests in its Dresser Rand and Ingersoll Dresser Pump joint ventures to partner Ingersoll-Rand for $1. 1bn. ...
11/02/1999	1,612,200	$37.188	(4.0329%)	Factiva	U.S. CONSOLIDATED CLOSINGS. NAME LAST CHANGE B F GOODRICH CO 23/1 +0/4 GOODYEAR TIRE 39/2 -0 WR GRACE CO 15/2 -0/2 HALLIB... URTON CO 37.03 -1.09 H J HEINZ CO 45/6 -0/7 HERCULES INC 23/4 +0/1 HOMESTAKE MINING 8/2 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/03/1999	2,571,000	$37.188	0.000%	Factiva	BROWN & ROOT BAGS BARRACUDA Halliburton/Brown & Root have clinched one of the year's biggest prizes by coming out on top in the battle to build field facilities for Petrobras' major Barracuda and Caratinga deepwater field developments offshore Brazil. ...
11/04/1999	1,332,500	$36.750	(1.176%)		
11/05/1999	2,629,600	$35.563	(3.231%)	Factiva	Input/Output, Inc. Names Robert P. Peebler to Board of Directors HOUSTON, Nov. 5 /PRNewswire/ -- Input/Output, Inc. (NYSE: IO) today announced that it has elected Robert P. Peebler to its board of directors. The election took place at the Board's meeting on November 3 and became effective immediately. ...
11/05/1999	2,629,800	$35.563	(3.231%)	Factiva	Leighton in talks for another buy. Original Article By John Macleay. Leighton Holdings indicated its intention to make another major acquisition on 4 November 1999. Two days after acquiring 70 percent of John Holland, Leighton says it wants to buy part of a listed company ...
11/03/1999	2,629,800	$35.563	(3.231%)	SunTrust Robinson	HAL - Estimates Reduced on Sluggish Foreign Activity
11/08/1999	1,999,900	$37.750	6.151%		
11/09/1999	2,511,500	$39.375	4.305%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Halliburton AS 5. Address PB. 720 6. Postal Code 4001 ...
11/10/1999	2,417,900	$39.875	1.270%		
11/11/1999	2,136,200	$38.875	(2.508%)	Factiva	Baldivis Explosives Stolen THE Department of Minerals and Energy is conducting an urgent security review after more than 100 explosive charges were stolen from a magazine in the department's Baldivis compound. ...
11/11/1999	2,136,200	$38.875	(2.508%)	Factiva	Explosives Theft Sparks Review THE Department of Minerals and Energy is conducting an urgent review of security after more than one hundred explosive charges were stolen from a magazine in the department's Baldivis compound. ...
11/12/1999	2,237,000	$41.688	7.235%	Factiva	Oil service company closes Kenai Peninsula office KENAI (AP) - Halliburton Energy Services is closing its Kenai Peninsula offices and heading north. The six peninsula employees will be transferred to Prudhoe Bay. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/15/1999	2,467,800	$43.000	3.1488		
11/16/1999	2,387,300	$42.563	(1.0170)	Factiva	Halliburton offloads joint ventures. In October, 1999, Halliburton, a United States based company, indicated it would sell two jo int venture operations. These operations are operated by Dresser Industries, a subsidiary co mpany. Its stake in these operations is to be acquired ...
11/16/1999	2,387,300	$42.563	(1.0170)	Factiva	Halliburton offloads joint ventures. In October, 1999, Halliburton, a United States based company, indicated it would sell two jo int venture operations. These operations are operated by Dresser Industries, a subsidiary co mpany. Its stake in these operations is to be acquired ...
11/16/1999	2,387,300	$42.563	(1.0170)	Factiva	Halliburton sees business picking up. LONDON, Nov 16 (Reuters) - U.S oil services giant Halliburton expects to enjoy improved fort unes as the oil prices surge revives business, Chief Executive Dick Cheney said on Tuesday. ...
11/16/1999	2,387,300	$42.563	(1.0170)	PR News	Landmark Grants $11 Million in Software and Services to Three University Engineering Program s
11/17/1999	2,822,300	$44.125	3.6718		
11/18/1999	1,996,600	$42.813	(2.9756)		
11/19/1999	2,226,300	$42.063	(1.7526)		
11/22/1999	3,078,600	$41.313	(1.7836)		
11/23/1999	1,721,400	$40.938	(0.9084)	Factiva	Coalition cries intimidation Anti-cockfighting petitioners accuse opponents of threats The group trying to end cockfighting through a statewide vote accused its opponents Monday o f a campaign of death threats and intimidation. ...
11/23/1999	1,721,400	$40.938	(0.9084)	Factiva	Group alleges threats Petitioners report harassment from cockfighting fans OKLAHOMA CITY -- The chairwoman of the Oklahoma Coalition Against Cockfighting charged Monda y that opponents of a petition to ban cockfighting have engaged in a "conspiracy of threats, intimidation and lies."
11/24/1999	1,491,100	$41.063	0.3058	Factiva	AWARDS UPDATE ' Four offshore companies have been given a slice of a huge contracting cake by BP Amoco to support its operations over the next five years. Stolt Comex Seaway has landed the lion's sh are of the North Sea work which involves all inspection ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/24/1999	1,491,100	$41.063	0.3056	Factiva	Halliburton Unit Wins Contract. Halliburton de Mexico, a wholly owned subsidiary of Halliburton Energy Services, has been aw arded a contract by Pemex to provide well stimulation services in the Gulf of Mexico using i ts new vessel Cape Hawke from Jan. 1 to Dec. 31, 2000. ...
11/24/1999	593,200	$40.063	(2.4356)	Factiva	Pemex of Mexico has awarded Halliburton a one-year contract. Pemex of Mexico has awarded Halliburton a one-year contract worth $18 million to provide wel l stimulation services in the Mexican Gulf.
11/24/1999	593,200	$40.063	(2.4356)	Factiva	Apartheid claims in Nigeria. HALLIBURTON is feeling the heat in Nigeria as former employee Okonje Chudu has brought three lawsuits against the US giant for allegedly breaking legislation aimed at protecting local workers.
11/24/1999	593,200	$40.063	(2.4356)	Factiva	Nigerians demonstrate over service giant's 'discrimination'. Nigerians demonstrate over service giant's 'apartheid' policies THE NIGERIAN subsidiary of o il service giant Halliburton was accused of discriminating against Nigerian staff in a demon stration in Lagos last week. ...
11/24/1999	593,200	$40.063	(2.4356)	Factiva	France's Technip announces $750m contract with Q-Chem. French engineering group Technip, allied with Kellog Brown and Root (KBR) of the US, which i s owned by Halliburton, announced yesterday that it had closed a $750m (EUR 716m) contract w ith Q-Chem, a joint venture between Qater General ...
11/26/1999	593,200	$40.063	(2.4356)	Factiva	Oil venture to axe 3300 jobs THE recent oil-price surge has come too late to save 3300 jobs at the Nigg and Arderaier Nor th Sea platform construction yards on Scotland's Moray Firth.
11/27/1999	.	.	.	Factiva	BARMAC, OIL PLATFORM BUILDER, PLANS JOB CUTS Barmac, a United States-based builder of oil and gas platforms and the biggest employer in t he Scottish Highlands, said yesterday that it would cut 3,300 jobs, most of its work force. in part because of last year's weak oil prices. Barmac ...
11/27/1999	.	.	.	Factiva	NATIONAL NEWS - Oil yards to lose 3,300 jobs - NEWS DIGEST. NORTH-EAST SCOTLAND About 3,300 jobs are to be lost at two offshore oil platform fabrication yards near Inverness in north-east Scotland. Barmac, a joint venture between Halliburton an d McDermott, two US oil service and equipment companies ...
11/28/1999	.	.	.	Factiva	Pit fuss rages To cockfighting foes, the pit -- where birds armed with metal spurs square off in an often f atal battle -- is more than a den of animal cruelty. It's a breeding ground for crime.
11/29/1999	1,557,800	$38.563	(3.7448)	Factiva	Halliburton wins Pemex stimulation work From: Gulf of Mexico Newsletter -- Petroleos Mexicanos (Pemex) has let an $18 million contra ct to Halliburton de Mexico to provide well stimulation services in the Bay of Campeche with

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					stimulation vessel M/V Cape Hawke from 1/1/2000 through ...
11/29/1999	1,557,800	$38.563	(3.7666)	Factiva	Hires in Brief: * Dallas-based Halliburton Co., which has roughly $5 billion in combined defined benefit and defined contribution assets, on Nov. 9 hired PRIMCO Capital Management, Louisville, Ky., to handle a portion of its stable value fixed-income ...
11/30/1999	2,307,000	$38.625	0.1620	Factiva	NORTH AMERICA - United States. Ingersoll-Rand plans to purchase the share of two joint ventures owned by Dresser, a wholly-owned subsidiary of Halliburton. Ingersoll-Rand will pay $555m for Dresser's 51% interest in Dresser-Rand, which produces reciprocating compressors ...
11/30/1999	2,307,000	$38.625	0.1620	Factiva	Halliburton Unit Unveils Geological Mapping Software DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) GeoGraphix unit released its GESXplorer softwar e for geological interpretation, mapping and well-data management. ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	Brown & Root Energy Services and Halliburton Energy Services have been selected by Barracu Brown & Root Energy Services and Halliburton Energy Services have been selected by Barracuda and Caratinga Development as the preferred bidder for the development of both the Barracuda and Caratinga fields offshore Brazil. The work for the ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	Brown & Root Services.(Brief Article) Brown & Root Services, a business unit of the Halliburton Company, has appointed Alan V. Tho mpson, PE as its Austin regional manager for the newly opened Austin, TX office. In his new role, Thompson is responsible for planning, engineering ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	Kellogg Brown & Root wins national safety award The National Safety Council has presented Houston-based Kellogg Brown & Root's Land Equipmen t Department with its 1998 Occupational Safety and Health Best Record Award for having the b est safety record among maintenance and repair shops ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	Halliburton recognized for diversity Halliburton Company, headquartered in Dallas, recently garnered two top awards from the Hous ton Minority Business Council. The company received the Minority Business (MBE) Procurement Award and the Prime Supplier Award from the council for ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	BRS snags top award for partnering on roadway project Brown & Root Services (BRS), Dallas, with Texas Department of Transportation (TxDOT) and Gra nite Construction Company, Dallas, recently received the 1999 top national Achievement Award from National Quality Initiative (NQI) for its work on ...
12/01/1999	1,944,400	$41.125	6.4720	Factiva	Brown & Root Services Brown & Root Services (BRS), a business unit of Dallas-based Halliburton Company, announced the addition of two regional managers in Austin and Dallas. Greg Jones will take the helm of BRS' Dallas office as Dallas regional manager. In his ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/01/1999	1,944,400	$41.125	6.4729	Factiva	Halliburton Unit To Buy Some Geophysical Micro Assets DALLAS -(Dow Jones)- Geophysical Micro Computer Applications (International) Ltd. (T.GMA) sa id Halliburton Co.'s (HAL) Halliburton Group Canada Inc. unit has entered into a definitive agreement to acquire its geophysical and geological ...
12/01/1999	1,944,400	$41.125	6.4729	Factiva	Canada News Highlights:Westcoast 2000 Capex Set At C$1.3 Billion Latest News Westcoast Energy Board OKs 2000 Capital Budget Of C$1.3B >WE Manitoba Tel To Buy Up To 23.2% Of Momentum Health >T.HBT ARC Intl Sells 2.8m Shs At $1 A Share >ATV GTR Group To Sell Video Games On Chapters ...
12/01/1999	1,944,400	$41.125	6.4729	PR News	Landmark To Acquire GeG Software Assets of Geophysical Micro Computer Applications (Internat ional) Ltd. (GMA)
12/02/1999	3,109,900	$39.500	(3.9519)	Factiva	Halliburton Buys Software Firm. The Landmark Graphics Canada Division of Halliburton Group Canada, a wholly owned business u nit of Halliburton, has signed a definitive agreement to acquire the geophysical and geologi cal software assets of Calgary-based Geophysical Micro ...
12/03/1999	1,844,000	$38.438	(2.6908)	SunTrust Robinson	HAL - New rating system established - HAL rated Buy
12/05/1999	.	.	.	Factiva	Cockfight foes say they're harassed Accusations of cockfighting supporters bullying people attempting to collect signatures on a n initiative petition to ban the sport have exposed a rift among the ranks of those trying t o keep the activity legal in Oklahoma.
12/06/1999	2,434,700	$37.063	(3.5776)	Factiva	PROTESTS OVERSHADOW LEGITIMATE TRADE TALKS AT WTO MEETING Last week's meeting of the World Trade Organization (WTO) will be most remembered for the te levision images of violent clashes between police and protesters in the streets of Seattle, WA. It will be much harder to remember the substantial ...
12/06/1999	2,434,700	$37.063	(3.5776)	Factiva	Petroleos Mexicanos. (Brief Article) Petroleos Mexicanos let an $18 million contract to Halliburton de Mexico SA de CV for well s timulation services using the Cape Hawke vessel. Cape Hawke will provide acid and non-acid s timulation, frac-acid, nitrogen, and pumping services in ...
12/06/1999	2,434,700	$37.063	(3.5776)	Factiva	Brothers of invention. The Boosh are a comedy double act for those who like their surrealism neat. Rachel Halliburt on meets them in the minds of The Boosh, animals take on roles that even the fantasies of Da vid Attenborough could not match. Zebras seduce women ...
12/07/1999	3,184,200	$38.563	(4.0476)	Factiva	special report - aberdeen - Subsea specialist group targets deepwaters from a British base THE recent formation of a specialist subsea remote technology group within Halliburton Subse a of Aberdeen is part of the company's drive to develop its skills and export them to deepwa ter exploration areas further afield. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/08/1999	4,884,500	$37.000	4.042%	Factiva	TECHNIP ANNOUNCES EURO 714 MILLION CONTRACT WITH QATAR'S Q-CHEM. French engineering group Technip, allied with Kellog Brown and Root (KBR) of the US, which i s owned by Halliburton, has announced that it has finalised a $750 million (Euro 714 million) contract with Q-Chem, a joint venture between Qatar ...
12/09/1999	3,245,600	$36.125	(2.365%)		
12/10/1999	2,268,400	$34.938	(3.287%)	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
12/10/1999	2,268,400	$34.938	(3.287%)	Factiva	Hunt lifts pace of Niger search. DALLAS-based Hunt Oil has contracted Halliburton to supervise exploration on its Manguni Pl ateau prospect on its Djado permit in landlocked Niger. The drilling unit Sedco 47 spudded t he first of a two-well programme last week targeting ...
12/10/1999	2,268,400	$34.938	(3.287%)	PR Newswire	Apache Egypt Standardizes on Landmark's Broad Suite of Integrated Software Applications; - A greement Key to Providing Integrated Interpretation to Apache's Teams -
12/12/1999	.	.	.	Factiva	Cockfighting petition drive ends Cockfighting opponents plan to file their petitions Monday in hopes of forcing election on t he future of the controversial sport. Janet Halliburton, chairwoman of the Oklahoma Coalitio n Against Cockfighting, said the group was collecting ...
12/12/1999	.	.	.	Factiva	Bird fights face push Cockfighting opponents will make a final push this weekend to gather enough signatures to br ing a vote on whether the activity should be allowed to continue in Oklahoma.
12/13/1999	2,040,600	$34.563	(1.073%)	Factiva	Trio form fluids joint venture From: Gulf of Mexico Newsletter -- Petrotech, Halliburton Energy Services, and Westport Tech nology have formed an alliance to offer reservoir fluids sampling and analysis services.
12/13/1999	2,040,600	$34.563	(1.073%)	Factiva	Cockfighting petition drive ends OKLAHOMA CITY (AP) - After a weekend spent pushing for extra signatures on a petition drive to get a statewide vote to ban cockfighting, supporters of the initiative petition planned t o turn their totals over to state officials today. ...
12/13/1999	2,040,600	$34.563	(1.073%)	Factiva	Group files petition against cockfighting OKLAHOMA CITY (AP) - Cockfighting opponents delivered a dozen boxes of signatures to the Sec retary of State's Office on Monday, starting a process that opponents predicted will end wit h a statewide vote to ban cockfighting. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/13/1999	2,040,600	$34.563	(1.073%)	Factiva	Group files petition against cockfighting OKLAHOMA CITY (AP) - Cockfighting opponents delivered a dozen boxes of signatures to the Sec retary of State's Office, starting a process that opponents predicted will end with a statew ide vote to ban cockfighting. ...
12/14/1999	2,936,100	$35.063	1.447%	Factiva	Oklahoma group files petition against cockfighting OKLAHOMA CITY (AP) - Cockfighting opponents delivered a dozen boxes of signatures to the Sec retary of State's Office, starting a process that opponents predicted will end with a statew ide vote to ban cockfighting. ...
12/14/1999	2,936,100	$35.063	1.447%	Factiva	fighting foes deliver petition OKLAHOMA CITY -- Cockfighting opponents crowed over the 105,029 signatures on an initiative petition they submitted Monday to the Oklahoma Secretary of State in an effort to ban the ac tivity.
12/15/1999	4,228,700	$37.188	6.061%	Factiva	THREATS TO SCHOOL ON AGENDA OF FORUM The Elyria School District and the city's Police Department are sponsoring a community forum tonight in response to recent bomb threats at the high school. ...
12/15/1999	4,228,700	$37.188	6.061%	Factiva	SCRAMS BOOST RECOVERY Statoil has increased oil production from one of the wells on the Gullfaks C platform from 1 ,250 b/d to 7,500 b/d by installing the Halliburton/PES-developed Scrams system. ...
12/16/1999	2,201,300	$37.125	(0.168%)		
12/17/1999	2,261,300	$36.750	(1.010%)	Factiva	Oil firm boosts festive toy appeal. GENEROUS staff at an Aberdeen-based oil giant are helping make Christmas special for hundred s of needy children. Workers at Halliburton Subsea set up their own giving trees to support the Voluntary Service Aberdeen Toy Appeal. ...
12/17/1999	2,261,300	$36.750	(1.010%)	Factiva	Eximbank Delays Decision on Loan to TNK - Putin to Investigate Chernogorneft Takeover. The US Export-Import Bank has delayed until Tuesday a vote on whether or not the bank will b ack a pair of loans worth some $500 million for Russia's Tyumen Oil Co. (TNK) - a loan packa ge that BP Amoco and human rights groups believe should ...
12/19/1999	.	.	.	Factiva	A Different Washington Story James A. Harmon recalls that when he moved here in 1997 to head the Export-Import Bank, he a sked a friend how to succeed in Washington. "You'll know you've been successful if, when you leave, nobody knows who you are," the friend advised ...
12/20/1999	1,305,800	$35.750	(2.721%)	Factiva	Benus Resource Services Corp - Benus appoints Lingard vice-president operations Mr. Tom Alford reports Bill Lingard has been appointed vice-president operations effective J an. 1, 2000. Mr. Lingard comes to Benus with 20 years experience in the oil field services b usiness, primarily in the Canadian marketplace. Prior to ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/20/1999	1,305,800	$38.750	(2.721%)	Factiva	Bonus Resource Services Corp. Announces Appointment of Vice President CALGARY, Dec. 20 /CNW/ - Tom Alford, President and Chief Executive Officer, is pleased to an nounce the appointment of Mr. Bill Lingard to the position of Vice President Operations effe ctive January 1, 2000. Mr. Lingard comes to Bonus with ...
12/21/1999	1,665,900	$37.188	4.021%		
12/22/1999	2,551,200	$38.313	3.025%	Factiva	Houston-, New Jersey-Based Oil Firms Lose Loan Guarantees WASHINGTON--The U.S. Export-Import Bank, bowing to pressure from the Clinton administration, on Tuesday turned down requests to provide nearly $500 million in loan guarantees to help H ouston-based Halliburton Energy Services and New Jersey ...
12/22/1999	2,551,200	$38.313	3.025%	Factiva	SOCAR INTENDS TO ESTABLISH A UNITED GEOPHYSICAL DATA BASE. BAKU, 22 DECEMBER, AIER-PRESS. SOCAR intends to get down to the establishment of a geophysic al data base compiling the already existing and perspective materials. Aier-press was told a t the state oil company that SOCAR had announced a ...
12/22/1999	2,551,200	$38.313	3.025%	Factiva	Anadarko Petroleum, Partners OK Addendum In Devt Pact HOUSTON -(Dow Jones)- Anadarko Petroleum Corp. (APC) and its partners signed an addendum to a development contract initially formed in September with Brown & Root-Condor, a venture own ed by Sonatrach (C.SON) and a unit of Halliburton Co ...
12/22/1999	2,551,200	$38.313	3.025%	Factiva	EU OKs Ingersoll-Rand Buy Of Dresser Pump,Dresser Rand BRUSSELS -(Dow Jones)- The European Union Commission Wednesday said it has given anti-trust clearance to U.S. industrial group Ingersoll-Rand Co.'s (IR) $1.1 billion acquisition of Ing ersoll-Dresser Pump Co. and Dresser-Rand Co. ...
12/22/1999	2,551,200	$38.313	3.025%	Factiva	Ex-Im Bank denies Russian oil loan / Project had local connections WASHINGTON - The U.S. Export-Import Bank, bowing to pressure from the Clinton administration , on Tuesday turned down requests to provide nearly $500 million in loan guarantees to help Houston-based Halliburton Energy Services and New ...
12/23/1999	1,674,100	$39.313	2.610%	Factiva	TNK considers the decision-making on ExIm-bank credit as not final. TNK considers the $300m credit release by EximBank US for TNK as not to have the final say y et, official message states. The Bank suspended the backing for the credit to be launched to restore Samotlor field and Ryazan Refinery, it noted. ...
12/23/1999	1,674,100	$39.313	2.610%	Factiva	Fraud probe at N-east oil firm. FRAUD squad detectives have launched a major probe into allegations of a massive cash fiddle at a North Sea oil firm. Police today confirmed they were carrying out inquiries into an "a lleged embezzlement" at Halliburton Energy Services ...
12/23/1999	1,674,100	$39.313	2.610%	Factiva	TNK hopes U.S. Ex-Im loan delay temporary. MOSCOW, Dec 23 (Prime-TASS) - Tyumen Oil Company of Russia (TNK) expects that U.S. Ex-Im Ban k pledges only a temporary delay on its approval of a USD 500 million package of loan guarant ees related to the upgrading of the Samotlor deposit and ...

News and Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: FactSet Research Systems, Inc., Factiva, and Reuters Research on Demand
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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/24/1999	.	.	.	Factiva	Corrections The headquarters for Halliburton Co. is in Dallas. A story in Thursday's Business section gave the wrong location. A toll-free number in a story in Wednesday's Chronicle about options to abandoning babies was wrong. The number. ...
12/27/1999	1,985,700	$39.500	0.477%	Factiva	Other SEC Filings. OTHER SEC FILINGS Registration Statements Type Company TickerFiling Date Security Type Share Value S-4 Halliburton Co. HAL 12/23/99 Common 3,069,899 21,224,985 ...
12/28/1999	1,072,300	$39.875	0.949%		
12/29/1999	1,130,800	$40.250	0.940%		
12/30/1999	773,200	$38.750	(3.727%)	Factiva	Halliburton closes sale of stake in pump venture. DALLAS, Dec 30 (Reuters) - Halliburton Co. said Thursday its Dresser Industries Inc. subsidiary completed the $515 million sale of its stake in Ingersoll Dresser Pump Co. to its joint venture partner, Ingersoll-Rand Co. . ...
12/30/1999	773,200	$38.750	(3.727%)	Factiva	Ingersoll-Rand Buys Halliburton's Ingersoll-Dresser Stake WOODCLIFF LAKE, N.J. -(Dow Jones)- Ingersoll-Rand Co. (IR) completed the acquisition of Ingersoll-Dresser Pump Co. by acquiring a 45% stake of the joint venture held by Halliburton Co. (HAL) for $377 million. ...
12/30/1999	773,200	$38.750	(3.727%)	Factiva	Ingersoll-Rand Buys Halliburton Ingersoll-Dresser Stake for $377Million NEW YORK -(Dow Jones)- Ingersoll-Rand Co., a maker of industrial equipment, late Thursday said it has completed the purchase of Ingersoll-Dresser Pump Co. by acquiring the 45% stake of the joint venture held by Halliburton Co. for $377 ...
12/30/1999	773,200	$38.750	(3.727%)	PR News	Halliburton Completes Sale of IDP Joint Venture Interest; Related Sale is Pending
12/31/1999	805,900	$40.250	3.871%	Factiva	Hot Stocks To Watch: ANLY IR HAL SLB Company Company News - - Analytical Surveys Revised previously reported thu 11 7/8 fiscal year 1999 earnings dn 1/16, 0.5% downward to $1.29 a diluted 125,300 shares share. Revised revenue recognition ...
01/01/2000	.	.	.	Factiva	Groundbreaking for petrochemical plant Brown & Root International, a subsidiary of KelLogg Brown & Root, with Technip, participated in Qatar Chemical Co. Ltd.'s (Q-Chem) groundbreaking ceremonies for a grassroots petrochemical plant in Messaieed, Qatar. KelLogg Brown & Roots ...
01/01/2000				Factiva	Race on to develop more intelligent, more reliable completion systems (Brief Article)(Stat ABB joins the fray When Halliburton bought Dresser in 1998 the decision was made to discontinue the Dresser ABB intelligent well project in favor of Halliburton's existing PES program. Rather than seek out a new partner, or cancel the ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/01/2003	.	.	.	Factiva	Using expandable sand screens in unconsolidated formations. First world-wide horizontal well installation Expandable tubulars and associated products ha ve been drawing more attention from oil and gas producers in the past year. Baker's E2Tech a nd Halliburton's Enventure, both licensed by Shell to ...
01/01/2000	.	.	.	Factiva	Industry future prospects - Upbeat outlook for the Millennium. Addressing the recent IP annual lunch, Dick Cheney, Chief Executive Officer, Halliburton and former US Secretary of State 1989-93, took a positive view of the industry's prospects in t he millennium. The following is an edited and shortened ...
01/01/2000	.	.	.	Factiva	Oilfield services mergers - And new mega-contractors. There were 10 top players in the global oilfield equipment and services sector before the 19 98 oil price collapse. Subsequent consolidation in the industry led to contraction and six r esidual players. However the oil price is now around $26 ...
01/01/2000	.	.	.	Factiva	Halliburton recognized for diversity Halliburton Company, headquartered in Dallas, recently garnered two top awards from the Hous ton Minority Business Council. The company received the Minority Business Enterprise (MBE) P rocurement Award and the Prime Supplier Award from the ...
01/01/2000	.	.	.	Factiva	Barmac, owned by Halliburton and J Ray McDermott... Barmac, owned by Halliburton and J Ray McDermott, said it will place its Migg and Ardesier c onstruction yards on a care-and-maintenance basis at end-April, until new orders are secured . The 3,700 workforce will be cut to 400. The Migg yard ...
01/01/2000	.	.	.	Factiva	Renovation work at the GL1/K liquefied natural gas plant at Skikda... Renovation work at the GL1/K liquefied natural gas plant at Skikda has been completed, Halli burton's Kellogg Brown & Root said. The facility now has a capacity of 6.5bn cm/y. The announ cement also marks the completion of Sonatrach's ...
01/03/2000	1,745,100	$38.313	(4.814%)	Factiva	SOCAR ANNOUNCED TENDER. SOCAR intends to create geophysical database and announced tender among major geophysical co mpanies (transnational Schlumberger, British-American Halliburton, Norwegian PGS and so on) will be wrapped up in early 2000 year. ...
01/03/2000	1,745,100	$38.313	(4.814%)	Factiva	Mild Winter, Portfolio Adjustments Help To Pressure Energy Stocks NEW YORK -(Dow Jones)- Oil and oil-service stocks stocks joined the market downturn Monday o n concerns about a mild winter, industry consolidation that could affect capital spending, a nd some portfolio housecleaning. ...
01/03/2000	1,745,100	$38.313	(4.814%)	RBC Capital Market	HAL:N-;HALLIBUATON ANNOUNCES CLOSING OF SALE OF JOINT-VENTURE STAKE
01/04/2000	2,484,100	$38.500	0.489%	Factiva	Halliburton Unit Completes Sale. Halliburton announced last week that its subsidiary, Dresser Industries, has completed the s ale of its 49% joint venture interest in Ingersoll Dresser Pump (IDP) to a subsidiary of its joint venture partner, Ingersoll-Rand, for a sales ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/04/2000	2,484,100	$38.500	0.489%	Factiva	Four bid for Safco expansion. Saudi Arabia four groups bid on 30 September for the estimated $400 million engineering, procurement and construction (EPC) contract to expand the Saudi Fertiliser Company (Safco) complex in Jubail. The bidders are: Germany's Uhde, Japan's ...
01/04/2000	2,484,100	$38.500	0.489%	SunTrust Robinson	Oil Sector Guideposts in Early 2000
01/05/2000	3,762,300	$36.813	(4.383%)	Brown Brothers Har	HAL: REDUCING ESTIMATES; MAINTAINING BUY RATINGS
01/05/2000	3,762,300	$36.813	(4.383%)	Factiva	* Iconsa-Bufete Alliance. (Brief Article) Construction company Grupo Iconsa (Monterrey, Mexico) says it has formed an alliance with financially troubled E&C firm Grupo Bufete Industrial (Mexico City). Sources say Iconsa will take a controlling interest in Bufete, which missed a ...
01/05/2000	3,762,300	$36.813	(4.383%)	Factiva	RESEARCH ALERT - Halliburton estimates cut. NEW YORK, Jan 5 (Reuters) - Merrill Lynch said Wednesday analyst K. Simpson has cut estimate s of Halliburton Co. earnings this year end next, and downgraded the firm's intermediate-term rating on the stock to accumulate from buy, while ...
01/06/2000	4,434,300	$38.313	4.075%	Factiva	SOCAR POSTPONED THE CLOSURE OF THE GEOPHYSICAL TENDER. BAKU, 6 JANUARY, AZER-PRESS. SOCAR postponed the summing-up of the tender for a common geophysical data-base previously scheduled for the end of the last year. Azer-press learned from sources in the Western oil companies that SOCAR planned ...
01/07/2000	4,368,700	$40.688	6.199%		
01/08/2000	.	.	.	Factiva	The moment I wake up - R&R. The last time I went on holiday - New York, last October - I bought a Zero Halliburton vanity case and then proceeded to fill it. So what I'm going to say now does rather run the risk of being construed as hypocrisy. And it's this: travel ...
01/09/2000	.	.	.	Factiva	Chicken fight Cockfighting foe harassed on and off job Like many other Oklahomans, Janet Halliburton works hard at her job, and just as hard at personal causes. Like the rest of us, she grew up believing in things like the right -- the duty even -- to be involved in politics, the right to speak ...
01/10/2000	2,720,500	$39.063	(3.994%)	A.G. Edwards & Son	Halliburton Company - North America Continues to Lead-Positive BJS EPS Pre-announcement.
01/10/2000	2,720,500	$39.063	(3.994%)	SunTrust Robinson	Oil Services Industry - BJS Pre-Release & Positive Implications
01/11/2000	2,876,000	$40.500	3.680%	Deutsche Bank Rese	Halliburton: Reducing 2000 and 2001 EPS Estimates
01/12/2000	2,920,300	$37.750	(6.790%)	Factiva	Jobs joy as Northlands oil contract. Britain's most northerly oil fabrication yard has won a pipeline contract that will help underpin more than 200 jobs in Caithness. Halliburton Subsea's Rockwater pipeline plant in Wick

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					secured the deal with BHP Petroleum for the Keith field ...
01/12/2000	2,920,300	$37.750	(6.790%)	Factiva	BHP AWARDS KEITH CONTRACT Australian-based oil company Broken Hill Proprietary Co has awarded the turnkey contract for the subsea pipeline and manifold system for the Aus $62m (US $41m) development of its Keith field to Rockwater, part of the Halliburton group. ...
01/12/2000	2,920,300	$37.750	(6.790%)	Factiva	Yard wins major pipeline contract. THE UK's most northerly fabrication yard in Wick has won a major pipeline contract. The work will help maintain the jobs of the 230 workers at Halliburton Subsea's Rockwater pipeline. ...
01/12/2000	2,920,300	$37.750	(6.790%)	Factiva	DTI approval for Keith oil field saves 200 jobs in Wick. The Department of Trade and Industry has approved the development of the Keith oil field, 20 0 miles north-east of Aberdeen on the boundary with the Norwegian sector, and has determined that the field is entirely in UK waters. ...
01/12/2000	2,920,300	$37.750	(6.790%)	Factiva	TEXAS WOMEN'S PREVIW About Oklahoma StateThe Cowgirls suffered a huge blow last week when new star Tari Cummings was diagnosed with a partial ligament tear in her knee. Cummings, a transfer from Westark Co mmunity College, had been averaging 17.9 points and 9.4 ...
01/13/2000	3,852,600	$38.250	1.325%	Factiva	Bonus Resource Services Corp. Bill Lingard Mr. Tom Alford, President and Chief Executive Officer, is pleased to announce t he appointment of Mr. Bill Lingard to the position of Vice President Operations. Mr. Lingard comes to Bonus with 20 years experience in the oilfield ...
01/14/2000	3,541,500	$38.563	0.817%	Factiva	New strike for Cairn. EDINBURGH-based oil exploration company Cairn Energy announced yesterday that new gas reserv es have been discoverd in its Sangu gas field, off Bangladesh. ...
01/18/2000	6,354,200	$41.688	8.104%	Factiva	NYSE Most Actives At 2:00 P.M. Lucent Technol 34,648,000 51 1/16 Dn 2 5/16 Amer Online 19,627,400 61 1/8 Dn 2 1/8 Tyco Intl 15,814,100 37 7/8 Up 3 Compaq Compute 14,881,900 31 7/16 Up 15/16 CitiGroup 8,726,100 57 9/ 16 Dn 7/16 Pfizer ...
01/18/2000	6,354,200	$41.688	8.104%	Factiva	NYSE Most Actives At 2:00 P.M. Lucent Technol 34,648,000 51 1/16 Dn 2 5/16 Amer Online 19,627,400 61 1/8 Dn 2 1/8 Tyco Intl 15,814,100 37 7/8 Up 3 Compaq Compute 14,881,900 31 7/16 Up 15/16 CitiGroup 8,726,100 57 9/ 16 Dn 7/16 Pfizer ...
01/19/2000	3,856,000	$42.188	1.199%		
01/20/2000	4,899,000	$40.813	(3.259%)	Factiva	Kenneth Ray "Ken" Abbott ABBOTT Kenneth Ray "Ken" Abbott was born April 5,1930 in Paoli, Oklahoma to Walter and Mary Talley Abbott. He passed away Monday, January 17, 2000 at his home in Moore at the age of 69

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/20/2000	4,899,900	840.813	(3.259%)	Factiva	. Mr. Abbott was united in marriage to his love of 49 ...
01/21/2000	3,227,800	842.375	3.828%	Factiva	TAMPA BAY AREA TECO team taps builder Brown & Root Energy Services, a subsidiary of Dallas-based Halliburto n Co., was selected to build a $175 million power plant in Virginia for TECO Energy Inc. and Hosbacher Energy Co. TECO expects to contribute between ...
01/23/2000	.	.	.	Factiva	Double Dipping Halliburton Should Resign One of Her Jobs POOR Janet Halliburton. All she wanted was to exercise her First Amendment rights to get coc kfighting banned in Oklahoma. Then those mean and nasty supporters of cockfighting started h arassing her. An editorial on this page said she should ...
01/23/2000	.	.	.	Factiva	TRAVEL See America first The travels of a First Coast girl being chronicled in the Times-Union this week revive the s pirit of youth, adventure and travel that earlier generations of readers can recall from the writings of Richard Halliburton. ...
01/23/2000	.	.	.	PR News	Kellogg Brown & Root Receives $1.5 Billion Malaysian ConsortiumPact DALLAS -(Dow Jones)- Kellogg Brown & Root, an international engineering and construction com pany, Sunday said it received a $1.5 billion contract from Malaysia LNG Tiga Sdn. Bhd. ...
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	Kellogg Brown & Root Team Will Execute Major Expansion of LNG Facility in Malaysia
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	Geophysical Micro Computer Applications - Geophysical Micro completes G&G software asset s Mr. Ron Newman reports Geophysical Micro Computer Applications has completed the sale of its geophysical and geological (G&G) software assets to the Landmark Graphics Canada Division o f Halliburton Group Canada Inc., a wholly owned business ...
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	Integrated Solutions package realizes over $1 million in savings. (Oil well development) (Br Egypt -- Petrobel, the primary oil and gas operator in Egypt, wanted to develop the first ga s project in a Mediterranean field. The project consisted of drilling four wells and one re- entry and completion. Halliburton was originally ...
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	(Sigma.sup.SM) process using HAIL(r) technology identifies missed zone, adds production wo Mexico -- In the Cuitlahuac field in Reynosa, PEMEX drilled a strategic well to prove the ex istence of new gas reserves, so drilling could be extended to include the west part of the f ield. In order to establish new gas reserves ...
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	Landmark Acquires G&G Software Assets of Geophysical Micro Computer Applications (Internat DALLAS, Jan. 24 /PRNewswire/ -- The Landmark Graphics Canada Division of Halliburton Group C anada Inc., a wholly owned business unit of Halliburton Company (NYSE: HAL), has completed t he acquisition of the geophysical and geological (G&G ...
01/24/2000	3,026,100	839.875	(5.900%)	Factiva	Geophysical Micro Computer Applications (International) Ltd. announces completion of g&g s CALGARY, Jan. 24 /CNW/ - Geophysical Micro Computer Applications (International) Ltd. (TSE:G MA) today announces the completion of the sale of its geophysical and geological (G&G) softw

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					are assets to The Landmark Graphics Canada Division of ...
01/24/2000	3,026,100	$39.875	(5.900%)	Factiva	Geophysical Micro Closes Software Asset Sale To Landmark CALGARY -(Dow Jones)- Geophysical Micro Computer Applications (International) Ltd. (T.GMA) s aid it has completed the $6.8 million sale of its geophysical and geological software assets to the Landmark Graphics Canada division of Halliburton ...
01/24/2000	3,026,100	$39.875	(5.900%)	Factiva	Geophysical Micro Closes Software Asset Sale To Landmark CALGARY -(Dow Jones)- Geophysical Micro Computer Applications (International) Ltd. (T.GMA) s aid it has completed the $6.8 million sale of its geophysical and geological software assets to the Landmark Graphics Canada division of Halliburton ...
01/24/2000	3,026,100	$39.875	(5.900%)	PR News	Landmark Acquires G&G Software Assets of Geophysical Micro Computer Applications (Internatio nal) Ltd. (GMA)
01/24/2000	3,026,100	$39.875	(5.900%)	RBC Capital Market	HAL:N-/HALLIBURTON UNIT WINS $1.5 BILLION CONTRACT
01/25/2000	2,874,000	$40.000	0.313%		
01/26/2000	4,110,400	$38.688	(3.281%)	Factiva	Landmark Grants $5.1 Million in Integrated E&P Software and Services To Universities - Company's Total Grants Now Exceed $100 Million - DALLAS, Jan. 26 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton (NYSE: HAL) today announce d that it has granted $5.1 million during the fourth ...
01/26/2000	4,110,400	$38.688	(3.281%)	Factiva	FOCUS-Tribesmen take U.S. worker hostage in Yemen. SANAA, Jan 26 (Reuters) - A U.S. national working for an oil company has been kidnapped by t ribesmen in Yemen, the third foreigner to be taken hostage in the Arab country this year, a Yemeni official said on Wednesday. ...
01/26/2000	4,110,400	$38.688	(3.281%)	PR News	Landmark Grants $5.1 Million in Integrated E&P Software and Services To Universities
01/27/2000	3,352,000	$37.500	(3.069%)	A.G. Edwards & Son	Haliburton Company - 4Q99 EPS BENEFITS FROM JV PICKUP - NORTH AMERICA CONTINUES TO LEAD RECO VERY
01/27/2000	3,352,000	$37.500	(3.069%)	CIBC World Markets	HAL: 4Q99 EPS Slightly Ahead; Awaiting the International Recovery
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Yemenis launch wide search for kidnapped American SAN'A, Yemen (AP) - Yemeni troops have launched a wide-scale search for a kidnapped American executive of an oil company, a provincial governor said Thursday. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Yemenis launch wide search for kidnapped American SAN'A, Yemen (AP) - Yemeni troops have launched a wide-scale search for a kidnapped American executive of an oil company, a provincial governor said Thursday. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton sees late-March signing of Brazil pact DALLAS (AP) - Halliburton Co. said Thursday it is close to a $2.5 billion deal to develop tw o offshore oil fields in Brazil. Halliburton said it has agreed on price and a delivery sche dule for the deal with Barracuda & Caratinga Development ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	HALLIBURTON MAN SEIZED IN YEMEN An employee of US oil services company Halliburton has been kidnapped in Yemen. The uniden tified man was taken on Tuesday by al-Fahead tribesman in the province of Marib, east of the c apital Sana, and near oil fields operated by Hunt Oil. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton, Chevron Set Accord, Halliburton SubSea, a division of Brown & Root Energy Services, has entered into an agreemen t with Chevron USA Production's Gulf of Mexico deepwater business unit for the provision of remotely operated vehicle (ROV) services to support ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	American Kidnapped in Yemen. A US national working for Halliburton has been kidnapped by tribesmen in Yemen, the third fo reigner to be taken hostage in the country this year, a Yemeni official said Wednesday. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	TABLE-Halliburton Q4 net shr higher. DALLAS, Jan 27 (Reuters) - HALLIBURTON COMPANY Consolidated Statements of Income (Unaudited) Quarter Ended Twelve Months Ended December 31 December 31 1999 1998 1999 1998 ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton posts earnings rise, beats estimates. DALLAS, Jan 27 (Reuters) - Halliburton Co., the world's biggest oil field services firm, sai d on Thursday its fourth-quarter earnings edged ahead of year-earlier levels and beat analys ts' estimates thanks to a strong performance by its ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Oilfield companies see an end to losing streak. HOUSTON, Jan 27 (Reuters) - As expected, the earnings of most U.S. oil field service compani es and drilling contractors showed a further decline in the fourth quarter of 1999, but indu stry executives have expressed varying degrees of ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton Sees Late March Signing Of Brazil Pact DALLAS -(Dow Jones)- Halliburton Co. (HAL) said Thursday it expects in late March to sign a contract with Barracuda & Caratinga Developeent Corp. to develop offshore fields in Brazil. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton 4th Quarter Operating Net 17 Cents/Share (Corrected 05:43 PM) 04:12 PM (Corrected 05:41 PM) 04:13 PM Halliburton Co. - Dallas 4th Qua r Dec. 31: 1999 1998 Revenues $3,771,000,000 $4,289,000,000 Net income a 235,000 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton Gets Argentine OK For Dresser-Rand Sale LOS ANGELES -(Dow Jones)- Halliburton Inc. (HAL) reported a slight increase in operating inc ome in the fourth quarter, despite a 12% revenue slide. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Yemenis Launch Extensive Search For Kidnapped US Executive SAN'A, Yemen (AP)--Yemeni troops have launched a wide-scale search for a kidnapped American executive of an oil company, a provincial governor said Thursday. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton Closes In On $2.5 Billion Pact For Brazilian Project DALLAS -(Dow Jones)- Oil-service concern Halliburton Co. announced Thursday that it expects to sign a contract in March valued at $2.5 billion to help develop oil fields located off th e Brazilian coast. ...
01/27/2000	3,352,000	$37.500	(3.069%)	Factiva	Halliburton Beats 4th-Quarter Estimate Despite Revenue Drop NEW YORK -(Dow Jones)- Oil and gas services concern Halliburton Co. posted core fourth-quart er earnings that beat analyst expectations, while net income soared on gains related to the sale of joint-venture stake. ...
01/27/2000	3,352,000	$37.500	(3.069%)	PR News	Halliburton Reaches Conclusion on Pricing, Execution Plan and Delivery Schedule for $2.5 Bil lion Barracuda and Caratinga Developments Offshore Brazil
01/27/2000	3,352,000	$37.500	(3.069%)	PR News	Halliburton Reports $.17 Per Share Operating Earnings for 1999 Fourth Quarter
01/28/2000	3,666,700	$35.813	(4.500%)	Brown Brothers Har	HAL: REITERATING BUY RATINGS; TRIMMING 2000 EPS ESTIMATE
01/28/2000	3,666,700	$35.813	(4.500%)	Deutsche Bank Asse	HAL: 4Q 1999 EPS MODESTLY ABOVE OUR ESTIMATE-2000/2001ESTIMATES TWEAKED-MARKET PERFORM
01/28/2000	3,666,700	$35.813	(4.500%)	Deutsche Bank Asse	Halliburton: 4Q99 EPS Modestly Above Our Estimate; 2000/2001 EPS Estimates Tweaked
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	BARRACUDA BIDDING LOOKS Bidding for the key components of Brazil's next giant field project is getting ever closer a fter the announcement from Halliburton/Brown and Root that it has "reached an advanced stage " with the Barracuda/Caratinga scheme. ...
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	Hunt for kidnap man. YEMENI troops have launched a wide-scale search for a kidnapped American oil executive seize d by armed tribesman. Kenneth White, who works for the Dallas-based company Halliburton, was abducted on Wednesday. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	Halliburton Nears $2.5 Billion Brazil Contract. Dallas-based Halliburton said Thursday that it has nearly concluded an agreement with Barracuda & Caratinga Development Corp. (BCDC) for the development of the Barracuda and Caratinga fields offshore Brazil. ...
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	Yemen tribesmen snatch oil worker. Halliburton employee is the latest victim as government crackdown fails to deter the hostage-takers THE KIDNAPPING nightmare returned to haunt oilfield services company Halliburton this week when a US oil worker was abducted by tribesmen in ...
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	Business briefs Halliburton expects huge Brazil deal Halliburton said Thursday that it expects to win a $2.5 billion contract to develop two large fields off Brazil, likely the largest offshore engineering, procurement, installation and construction ...
01/28/2000	3,666,700	$35.813	(4.500%)	Factiva	Halliburton earnings up slightly DALLAS - Halliburton Co., the world's biggest oil-field services firm, said Thursday that its fourth-quarter earnings edged ahead of year-earlier levels and beat analysts' estimates thanks to a strong performance by its Dresser Equipment ...
01/28/2000	3,666,700	$35.813	(4.500%)	RBC Capital Market	KAL:N-/KAL POSTS STRONGER QUARTER; ENERGY SERVICES OUTLOOK IMPROVING
01/28/2000	3,666,700	$35.813	(4.500%)	SunTrust Robinson	KAL - December Q Beats Estimates
01/29/2000	.	.	.	Factiva	Energy - Income grows at Halliburton. HALLIBURTON, the world's biggest oil field services firm, has reported that fourth quarter earnings edged ahead of levels a year earlier and beat analysts' estimates thanks to a strong per-formance by its Dresser Equipment division, Reuters ...
01/29/2000	.	.	.	Factiva	Halliburton Worker Only American Kidnapped In Yemen SAN'A, Yemen (AP)--Only one American is being held by tribesmen in Yemen, an American embassy official said Saturday. He said earlier reports that two Americans were taken hostage were inaccurate. ...
01/29/2000	.	.	.	Factiva	World / IN BRIEF: YEMEN Tribesmen Kidnap Second American Yemeni tribesmen have kidnapped another American, the second U.S. citizen abducted since Wednesday, and have taken him to an unknown location, a Western diplomat and a tribal source said. The American, who was not identified, was kidnapped ...
01/31/2000	2,967,700	$36.125	0.8731%	Factiva	KIDNAPPINGS - YEMEN. London, Jan 30 - A press report, dated Jan 28, states: Yemeni tribesmen have kidnapped another American, the second U.S. citizen abducted since Wednesday (Jan 26), and have taken him to an unknown location, a Western diplomat and a tribal ...
02/01/2000	2,995,600	$36.375	0.6924%	Factiva	Water-dispersible resin system helps stabilize offshore multi-well completions.(Statistica Halliburton Energy Services, Inc. Option for while-drilling stabilization control Global economic conditions require innovative, state-of-the-art wellbore stabilization methods to help

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					reduce the total costs associated with the construction ...
02/01/2000	2,995,600	$36.375	0.692%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 1 2. Registration Number 971594934 3. Report Type N 4. Company Name Hall iburton AS 5. Address PB. 67 6. Postal Code 4098 ...
02/01/2000	2,995,600	$36.375	0.692%	Factiva	Tengasco Announces 56% Increase In Swan Creek Proven Reserves Volumes KNOXVILLE, Tenn., Feb. 1 /PRNewswire/ -- Tengasco, Inc. (Amex: TGC) announced today that its year end 1999 volumes of proven reserves in the Swan Creek field had increased by 56% to 92 billion cubic feet of natural gas equivalent (BCFE ...
02/01/2000	2,995,600	$36.375	0.692%	Factiva	Anadarko is to go ahead with the development of the Hassi Berkine oilfield... Anadarko is to go ahead with the development of the Hassi Berkine oilfield, envisaging start -up in early 2002. The company exercised an option in its contract with Brown & Root-Condor, which is constructing facilities for the Hassi Berkine ...
02/01/2000	2,995,600	$36.375	0.692%	Factiva	Halliburton CEO Dick Cheney Resumes Chairman Role DALLAS -(Dow Jones)- Halliburton Co. (HAL) Chief Executive Dick Cheney resumed the additiona l role of chairman, effective Tuesday. In a press release Tuesday, the energy services compa ny said Cheney had served as chairman and chief ...
02/01/2000	2,995,600	$36.375	0.692%	Factiva	Halliburton CEO Dick Cheney Resumes Chairman Role DALLAS -(Dow Jones)- Halliburton Co. (HAL) Chief Executive Dick Cheney resumed the additiona l role of chairman, effective Tuesday. In a press release Tuesday, the energy services compa ny said Cheney had served as chairman and chief ...
02/01/2000	2,995,600	$36.375	0.692%	PR News	Dick Cheney Resumes Role as Chairman of Halliburton Company
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Halliburton on move from Albe Gate. ABERDEEN landmark office block Albe Gate is to be vacated by oil services giant Halliburton in the spring as part of an on-going centralisation process. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	GeoGraphix Releases Raster Log Functionality as Part of Its Integrated Interpretation Offe DALLAS--(BUSINESS WIRE)--Feb. 2, 2000--GeoGraphix, a division of Landmark Graphics Corporati on, a wholly owned business unit of the Halliburton Company (NYSE:HAL), today announced the addition of a new raster log capability to the ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	BARRACUDA BIDDING BY YEAR END Bidding for the key components of Brazil's next big field project are still some months away despite the announcement from Halliburton/Brown & Root that is has "reached an advanced sta ge" with the scheme. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	BARRACUDA BIDDING LOOMS Bidding for the key components of Brazil's next giant field project is getting ever closer a fter the announcement from Halliburton/ Brown and Root that it has "reached an advanced stag

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					e" with the Barracuda/ Caratinga scheme. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	BARRACUDA BIDDING LOOKS Bidding for the key components of Brazil's next giant field project is getting ever closer a fter the announcement from Halliburton/ Brown and Root that it has "reached an advanced stag e" with the Barracuda/ Caratinga scheme. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Cheney Named Chairman. Halliburton announced that Dick Cheney has resumed the role of chairman of the board, effect ive Tuesday, and will continue in his current position as chief executive of the company. ..
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Tengasco's Reserves Climb. Tengasco said Tuesday that its year-end 1999 volumes of proven reserves in the Swan Creek fi eld had increased 56% to 92 billion cubic feet of natural gas equivalent (Bcfe) from the 59 Bcfe estimated on June 30, 1999. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	WellBid Brings Oil and Gas Industry Online, Opens New Houston Office; Growth Spurs Premier DENVER, Feb. 2 /PRNewswire/ -- WellBid, Inc., the leading provider of online procurement sol utions for well-related oil and gas activity, announces the opening of its new Houston offic e. The Houston office, with six employees, will be ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Boots & Coots Responds to Blowout in Algeria HOUSTON, Feb. 2 /PRNewswire/ -- Boots & Coots International Well Control Inc. (Amex: WEL), t he leading provider of prevention and emergency response services to the global oil and gas industry and its alliance partner Halliburton Energy ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Ingersoll-Rand completes Dresser-Rand purchase. WOODCLIFF LAKE, N.J., Feb 2 (Reuters) - Ingersoll-Rand Co. said Wednesday it had completed t he purchase of Dresser-Rand Co., buying Halliburton Co.'s 51 percent share for $536 million. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Boots & Coots, Halliburton fighting Algerian fire. HOUSTON, Feb 2 (Reuters) - Boots & Coots International Well Control Inc. said Wednesday it h ad moved over 60 tons of equipment to Algeria to fight a fire in the country's giant Hassi R 'mel natural gas field. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Halliburton Closes Dresser-Rand Stake Sale For $536 Million DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Dresser Industries Inc. unit completed the sale of its 51% joint venture interest in Dresser-Rand Co. to a unit of its joint venture partne r, Ingersoll-Rand Co. (IR), for $579 million, gross. ...
02/02/2000	3,056,700	$37.125	2.062%	Factiva	Boots & Coots: Well Blowout In Hassi-R Mel, Algeria HOUSTON -(Dow Jones)- Boots & Coots International Well Control Inc. (WEL) and its alliance p artner Halliburton Co.'s (HAL) Energy Services dispatched more than 60 tons of response equi pment to a well blowout in the Hassi-R Mel region of ...

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02/02/2000	3,056,700	$37.125	2.062%	Factiva	Halliburton Closes Dresser-Rand Stake Sale For $536 Million DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Dresser Industries Inc. unit completed the sale of its 51% joint venture interest in Dresser-Rand Co. to a unit of its joint venture partne r, Ingersoll-Rand Co. (IR), for $579 million, gross. ...
02/02/2000	3,056,700	$37.125	2.062%	Johnsen Rice & Com	Halliburton Company Report
02/02/2000	3,056,700	$37.125	2.062%	PR News	Halliburton Completes Sale of Joint Venture
02/03/2000	2,135,900	$37.375	0.673%	Factiva	Doing a Double Take Public Officials Ignoring Conflicts of Interest ADD the name of Karl Ahlgren to the growing list of elected officials and government employe es involved in a conflict of interest. The list already includes Oklahoma Senate President P ro Tem Stratton Taylor, state Sen. Gene Stipe and Janet ...
02/03/2000	2,135,900	$37.375	0.673%	Factiva	Halliburton Unit Completes Sale. Halliburton said Wednesday that its Dresser Industries subsidiary has completed the sale of its 51% joint-venture interest in Dresser-Rand to a subsidiary of its joint-venture partner Ingersoll-Rand for $579 million. ...
02/03/2000	2,135,900	$37.375	0.673%	Factiva	Halliburton, Boots &Coots fight gas fire Halliburton Co. and Boots &Coots International Well Control are fighting a fire in an Algeri an gas well owned by Sonatrach, the country's state-owned oil company, which could take thre e more weeks to control.
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Halliburton Awarded Contract. Halliburton Energy Services (HES), a business unit of Halliburton, announced Thursday that H alliburton Worldwide has been awarded a five-year pumping services contract for Petroleum De velopment Oman (PDO). ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Halliburton high-fives. HALLIBURTON'S fourth-quarter earnings edged ahead of year-earlier levels and beat analysts' estimates thanks to a strong performance by its Dresser Equipment division. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Halliburton high-fives. HALLIBURTON'S fourth-quarter earnings edged ahead of year-earlier levels and beat analysts' estimates thanks to a strong performance by its Dresser Equipment division. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Hostage talks. NEGOTIATIONS are continuing to try to free a US oil worker employed by oilfield services com pany Halliburton who was kidnapped by tribesmen in Yemen last week. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Duo gets busy for BP Amoco. A JOINT venture between Halliburton subsidiary Kellogg Brown & Root and Japan's JGC Corporat ion has been awarded a front-end engineering contract for BP Amoco's In Amenas gas project i

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					n Algeria. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Hostage talks. NEGOTIATIONS are continuing to try to free a US oil worker employed by oilfield services com pany Halliburton who was kidnapped by tribesmen in Yemen last week. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Duo gets busy for BP Amoco. A JOINT venture between Halliburton subsidiary Kellogg Brown & Root and Japan's JGC Corporat ion has been awarded a front-end engineering contract for BP Amoco's In Amenas gas project i n Algeria. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Duo gets busy for BP Amoco. A JOINT venture between Halliburton subsidiary Kellogg Brown & Root and Japan's JGC Corporat ion has been awarded a front-end engineering contract for BP Amoco's In Amenas gas project i n Algeria. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Hostage talks. NEGOTIATIONS are continuing to try to free a US oil worker employed by oilfield services com pany Halliburton who was kidnapped by tribesmen in Yemen last week. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Halliburton high-fives. HALLIBURTON'S fourth-quarter earnings edged ahead of year-earlier levels and beat analysts' estimates thanks to a strong performance by its Dresser Equipment division. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Halliburton high-fives. HALLIBURTON'S fourth-quarter earnings edged ahead of year-earlier levels and beat analysts' estimates thanks to a strong performance by its Dresser Equipment division. ...
02/04/2000	2,338,100	$36.813	(1.505%)	Factiva	Hostage talks. NEGOTIATIONS are continuing to try to free a US oil worker employed by oilfield services com pany Halliburton who was kidnapped by tribesmen in Yemen last week. ...
02/05/2000	.	.	.	Factiva	Leader of anti-cockfighting group quitting job at OSBI OKLAHOMA CITY (AP) - The leader of a group trying to outlaw cockfighting in Oklahoma is reti ring from her position as general counsel of the Oklahoma State Bureau of Investigation. ...
02/05/2000	.	.	.	Factiva	Petition organizer exits OSBI Janet Halliburton, leader of the group trying to outlaw cockfighting in Oklahoma, is retirin g from her full-time job as general counsel of the Oklahoma State Bureau of Investigation. S he said Friday. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/07/2000	1,941,700	$37.375	1.9288	Factiva	Halliburton nears deal on Barracuda-Caratinga megaproject. More Like This
02/08/2000	2,279,600	$36.875	(1.3386)	Factiva	Business briefs / Houston &Texas Halliburton faces patent complaint The U.S. International Trade Commission is investigating a complaint by an Alaskan oil-field equipment maker that Houston-based Halliburton Energy Services and a Canadian company have infringed on its ...
02/08/2000	2,279,600	$36.875	(1.3386)	Factiva	OSBI counsel resigns fighting cockfighting cost Janet Halliburton her livelihood, she said. Halliburton has resigned from her position as general counsel for the Oklahoma State Bureau of Investigation. Halliburton, who led the Oklahoma Coalition Against ...
02/09/2000	3,264,400	$35.500	(3.7284)	PR News	Landmark Certified for Second Consecutive Year By Support Strategies Corporation
02/10/2000	3,803,200	$35.438	(0.1764)	Factiva	Yemeni tribesmen release American captive SAN'A, Yemen (AP) - Yemeni tribesmen released Thursday an American oil executive they had held hostage since Jan. 26, a Yemeni legislator said. ...
02/10/2000	3,803,200	$35.438	(0.1764)	Factiva	Yemeni tribesmen release American captive SAN'A, Yemen (AP) - Yemeni tribesmen released Thursday an American oil executive they had held hostage since Jan. 26, a Yemeni legislator said. ...
02/10/2000	3,803,200	$35.438	(0.1764)	Factiva	MEMPHIS AREA DEATHS THROUGH WEDNESDAY, FEB. 9 REV. ROBERT D. ANDERSON, 83, of Nesbit, retired butcher, died of heart failure Saturday at his home. Services will be at 2 p.m. Sunday at Halliburton Missionary Baptist Church in Nesbit with burial in the church cemetery. Henderson Funeral ...
02/10/2000	3,803,200	$35.438	(0.1764)	Factiva	Yemen says U.S. hostage released. SANAA, Feb 10 (Reuters) - A U.S. oil worker was released in Yemen on Thursday, 16 days after he was taken hostage by tribesmen in the Arab state, Interior Ministry sources said. ...
02/10/2000	3,803,200	$35.438	(0.1764)	Factiva	Yemeni Tribesmen Release US Oil Executive Held Since Jan 26 SAN'A, Yemen (AP)--Yemeni tribesmen released Thursday an American oil executive they had held hostage since Jan. 26, a Yemeni legislator said. ...
02/11/2000	3,103,600	$34.250	(3.3918)	Factiva	The Right Thing JANET Halliburton did the right thing in resigning from her state job. The chairwoman of the Oklahoma Coalition Against Cockfighting has left her post as chief counsel for the Oklahoma State Bureau of Investigation. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/11/2000	3,103,600	$24.250	(3.3516)	Factiva	US Worker Released in Yemen. A US oil worker was released unharmed in Yemen on Thursday, 16 days after he was taken hostage by tribesmen, a US embassy official said. Kenneth White, an employee of Halliburton, a US oil field services firm doing contract work for Hunt ...
02/12/2000	.	.	.	Factiva	KIDNAPPINGS - YEMEN. Sanaa, Feb 10 - A US oil worker was released in Yemen today, 16 days after he was taken hostage by tribesman in the Arab state, Interior Ministry sources said. The sources said Kenneth White, an employee of Halliburton, a US oilfield ...
02/14/2000	3,099,600	$25.938	4.9276		
02/15/2000	3,989,300	$28.500	7.1304		
02/16/2000	3,824,200	$29.125	1.6234	Factiva	Grant Geophysical, Inc. Names Darci Jose de Mates Area Manager Southern Latin America Oper HOUSTON, Feb. 16 /PRNewswire/ -- Grant Geophysical, Inc. ("Grant") announced today that Darci Mates has joined the company in the capacity of Area Manager Southern Latin America. Mr. Mates will be a key member of the regional management ...
02/16/2000	3,824,200	$29.125	1.6234	Factiva	Halliburton To Buy Remaining 74% Of PES International DALLAS -(Dow Jones)- Halliburton Co. (HAL) declared unconditional its offer to acquire the 74% of PES (International) Ltd. that it does not own. ...
02/16/2000	3,824,200	$29.125	1.6234	PR Newswire	Halliburton Acquires Remaining PES Shares
02/17/2000	2,701,500	$28.500	(1.5974)	Factiva	"NO DISRUPTION OF GAS SUPPLY TO CLIENT" - HALLIBURTON UNIT ASSISTS SONATRACH IN GAS FIELD F According to the North Africa Journal, Sonatrach hired the American company Boots & Coote, a unit of Halliburton to stop the fire at its HR6 gas field in Hassi Messaoud. Sonatrach brought 4 experts from Boots & Coote in a special jet to ...
02/17/2000	2,701,500	$28.500	(1.5974)	Factiva	"NO DISRUPTION OF GAS SUPPLY TO CLIENT" - HALLIBURTON UNIT ASSISTS SONATRACH IN GAS FIELD F According to the North Africa Journal, Sonatrach hired the American company Boots & Coote, a unit of Halliburton to stop the fire at its HR6 gas field in Hassi Messaoud. Sonatrach brought 4 experts from Boots & Coote in a special jet to ...
02/17/2000	2,701,500	$28.500	(1.5974)	Factiva	Silver Service - Halliburton Angles for Equity Stake In Samotlor. US oil services company Halliburton is discussing a deal to take an equity stake in a project to rehabilitate the giant Samotlor oil field, according to Tyumen Oil Co. (TNK) vice president Ivan Manaliev ...
02/17/2000	2,701,500	$28.500	(1.5974)	Factiva	HALLIBURTON ACQUIRES REMAING PES SHARES. Halliburton Company announced that the Company has declared unconditional its offer to acquire the approximately 74 percent of PES (International) Limited shares not currently owned by Halliburton. Holders owning 100 percent of the PES ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/17/2000	2,701,500	$38.500	(1.597%)	Factiva	Halliburton Declares 12.5 Cents Regular Quarterly Dividend Pay March 23, record March 2. 01:49 PM
02/17/2000	2,701,500	$38.500	(1.597%)	PR News	Halliburton Dividend Declaration and Shareholders' Meeting
02/18/2000	1,796,900	$36.688	(4.708%)	Factiva	Energy-services giant set to complete PES buyout. ABERDEEN company Petroleum Engineering Services (PES), is finally becoming a wholly-owned su bsidiary of US energy services giant Halliburton. PES co-founder Larry Kinch had hoped to co nclude negotiations regarding full takeover many months ...
02/18/2000	1,796,900	$36.688	(4.708%)	Factiva	Halliburton Fishes for Stake In Samotlor. US oil services company Halliburton is discussing a deal to take an equity stake in a project to rehabilitate the giantSamotlor oil field, Tyumen Oil Co. (TNK) vice presidentIvan Menshi kov says. ...
02/18/2000	1,796,900	$36.688	(4.708%)	Factiva	Halliburton to Buy PES Shares. Dallas-based Halliburton on Wednesday said it has offered to acquire about 74% of the shares of PES not currently owned by the company. Holders owning 100% of the PES shares have accep ted Halliburton's offer. After compliance with ...
02/18/2000	1,796,900	$36.688	(4.708%)	Factiva	Dividends Declared. DIVIDENDS DECLARED Company Ticker Exch Announced Rec-Date Pay Date Amount Type Halliburton C o. HAL NYSE 2/17/00 3/2/00 3/23/00 $0.125 Quarterly Lufkin Industries Inc. LUFK OTC 2/17/00 3/1/00 3/10 ...
02/18/2000	1,796,900	$36.688	(4.708%)	Factiva	Halliburton hostage freed. AN AMERICAN oil worker employed by Halliburton has been released in Yemen after being held h ostage for 16 days by tribesmen who kidnapped him at Marib, east of Sana'a. ...
02/21/2000	.	.	.	Factiva	Polls shows most Oklahomans favor cockfighting ban OKLAHOMA CITY (AP) - Opponents of legalized cockfighting say they aren't suprised by the fin dings of a poll showing that most Oklahomans favor a ban. ...
02/21/2000	.	.	.	Factiva	Houston Exploration Co. Houston Exploration Co., Houston, and its partners made an oil and natural gas discovery on Vermilion Block 408 in the Gulf of Mexico. On test, the Vermilion Block 408 No. 1 well, in 3 80 ft of water about 115 miles off Louisiana, flowed 3 ...
02/22/2000	1,893,100	$35.500	(3.237%)	Factiva	Boots & Coots Caps Blowout Well in Algeria HOUSTON, Feb. 22 /PRNewswire/ -- Boots & Coots International Well Control Inc. (Amex: WEL), the leading provider of prevention and emergency response services to the global oil and gas industry, its alliance partner Halliburton Energy ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/22/2000	1,893,100	$35.500	(3.237%)	Factiva	Halliburton Angles For Equity Stake In Samotlor. US oil services company Halliburton is discussing a deal to take an equity stake in a projec t to rehabilitate the giant Samotlor oil field, according to Tyumen Oil Co. (TNK) Vice Presi dent Ivan Menshikov.> ...
02/22/2000	1,893,100	$35.500	(3.237%)	Factiva	CORRECTED-Algeria says it put fire out at main gasfield. In February 20 item "Algeria says it put fire out at main gasfield" please read in third par a ...U.S.-based Boots & Coots International Well Control Inc, a partner in a well servicing venture with Halliburton Co...instead of ...a subsidiary ...
02/23/2000	1,844,400	$34.313	(3.345%)	Factiva	BLAKE AWARD DEADLINE NEARS Award of a subsea installation contract for BG International's Blake project in the UK North Sea is thought to be imminent according to industry sources. ...
02/23/2000	1,844,400	$34.313	(3.345%)	Factiva	Boots & Coots Reports Progress. Houston-based Boots & Coots International Well Control, its alliance partner Halliburton Ene rgy Services, and the Algerian national oil company, Sonatrach, have completed the initial c apping phase of the well blowout in the Hassi-R Hel ...
02/23/2000	1,844,400	$34.313	(3.345%)	Factiva	Buccaneer hires offshore pipeline contractor. HOUSTON, Feb 23 (Reuters) - Buccaneer Gas Pipeline LLC said Wednesday a Saipem venture has s igned a letter of intent to assist with the design and construction of the offshore portion of the Buccaneer Gas Pipeline project which is expected ...
02/24/2000	3,161,600	$35.438	3.279%		
02/25/2000	3,724,000	$33.688	(4.938%)	Factiva	Stocks Ex-Dividend February 28 Company Amount AK Steel Hldg pfB .90 5/8 Callaway Golf Co .07 Dallas SemiConduct s s-2-for-1 stock split. DresdnerRCM Glbl .05 FinlSecAssurHldgs .12 Grupo RadioCentro ...
02/26/2000	.	.	.	Factiva	THEATRE REVIEWS - Logic Chelsea Centre, London SW10 (020-7352 1967). Stephanie McKnight's utterly convincing new play about worlds colliding is beautiful, subtle and harrowing, shining a coldly intelligent light on to the feminist debate. Suranne Bell's understated and sensitive production draws you into the ...
02/28/2000	2,634,700	$35.000	3.896%	Factiva	Hegco Canada Inc - Hegco Mississippi field JV with Halliburton Mr. Douglas Hewitt reports Hegco Canada has signed a letter of intent with Halliburton Energ y Services, a business unit of Halliburton Company, to enter into a joint venture for the de velopment of Hegco's Mississippi field. The project will ...
02/28/2000	2,634,700	$35.000	3.896%	Factiva	HALLIBURTON CO - HEGCO Canada Agreement With Halliburton - For Development of Mississippi New York, New York, Feb. 28, 2000 (Market News Publishing via COMTEX) - Douglas C. Hewitt, C hairman of the Board, CEO of HEGCO Canada, Inc. ("HEG") announces that the Company has signe d a Letter of Intent with Halliburton Energy Services ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/28/2000	2,634,700	$35.000	3.896%	Factiva	HEGCO Canada, Inc. Enters Agreement With Halliburton for Development of Mississippi Field EDMOND, OKLAHOMA and CALGARY, ALBERTA--HEGCO Canada, Inc. ("HEG") has signed a Letter of Int ent with Halliburton Energy Services ("HES"), a business unit of Halliburton Company, to ent er into a joint venture for the development of HEG's ...
02/29/2000	3,912,100	$38.188	9.107%	Factiva	VENTURA COUNTY BUSINESS VENTURA COUNTY DIGEST / BARBARA MURPHY Oil-Field Services Firm Buy Halliburton Energy Services has purchased a 14,000-square-foot industrial building in Oxnard for $1.8 million. The seller of the building, on three acres of land at 1025 S. Rose Ave., was Santa Clara Seed Co. ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	New technology offered for high octane gasoline Kellogg Brown & Root, a business unit of Halliburton Co., has announced an alliance with Fo rtum Oil and Gas Oy (formerly Neste Oy) to offer a new process technology for high octane ga soline. The technology is called KEXOCTANE. It will ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	Halliburton is to acquire from shareholders the approximately 74% of PES shares. Halliburton is to acquire from shareholders the approximately 74% of PES shares that it does not currently hold. Copyright The Institute of Petroleum 2000 ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	Kellogg Brown & Root Gets More Competitive as Identity Emerges By the marketplace's measure - contract awards - the 17-month-old merger of M.W. Kellogg Co. and Brown & Root Inc., both Houston, has been a success. The merged company has won billion s in new business since it was formed by the September ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	PRESS RELEASE:Halliburton Licenses BindView Govt Products (BW)(TX-BINDVIEW)(BVEW) Halliburton Selects BindView for Comprehensive Windows Management; B indView's Acquisition of Entevo Completes Solution for Windows NT Customers ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	New technology for high-octane gasoline. A new process is claimed to enable refiners to use stranded MTBE facilities and feedstocks w hen producing isooctane. Kellogg Brown & Root (KB&R), a business unit of Halliburton Co., an d Fortum Oil and Gas Oy (formerly Neste Oy) have ...
03/01/2000	4,952,600	$40.938	7.201%	Factiva	
03/02/2000	4,768,100	$42.188	3.053%	PR News	Brown & Root Energy Services awarded power project contract. Brown & Root Energy Services has been selected by TM Power Ventures L.L.C., a joint venture between TECO Power Services Corp. and Mesbacher Power Partners, to provide engineering, cons truction and procurement (EPC) services for a 312-MW ...
03/03/2000	3,880,700	$42.875	(3.111%)		Landmark Launches iDims for Intranet Access to Drilling and Well Services Data
03/06/2000	2,872,700	$41.250	0.917%	Factiva	SHORTS - Halliburton creates technology job. Halliburton creates technology job Halliburton, the oil field service and equipment company, has made Bob Heinemann chief technology officer, creating a position to oversee the company

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					's technology portfolio. Page 30. ...
03/06/2000	2,872,700	$41.250	0.917%	Factiva	Halliburton recruits technology chief. COMPANIES & FINANCE - INTERNATIONAL - Halliburton recruits technology chief OIL & GAS EQUIPM ENT LEADER CREATES POST. Halliburton, the largest oil field service and equipment company, h as appointed Bob Heinemann as chief technology officer ...
03/06/2000	2,872,700	$41.250	0.917%	Factiva	Correction.(Correction Notice) Westport Oil & Gas Co., Denver, is not a subsidiary of Halliburton Energy Services, as repor ted incorrectly (OGJ, Feb. 21, 2000, P. 38). Halliburton has no stake in the well described.
03/06/2000	2,872,700	$41.250	0.917%	Factiva	Landmark Offers New Service. Landmark Graphics, a wholly owned business unit of Halliburton, announced Friday the release of iDims for on-line intranet access to data on drilling and well services operations. ...
03/07/2000	6,504,100	$44.500	7.879%	Factiva	Shared Earth Announces Armitage as Board Member DENVER, March 7 /PRNewswire/ -- Shared Earth Technologies Inc. (www.sharedearth.com), anno unced today that David Armitage joined the company's Board of Directors. Mr. Armitage was th e founder and former president and CEO of GeoGraphix ...
03/07/2000	6,504,100	$44.500	7.879%	Factiva	REPEAT-Ex-US Secretary Cheney urges oil stability. ABU DHABI, March 7 (Reuters) - Dick Cheney, the chairman of oil firm Halliburton Co and form er U.S. defence secretrery, urged oil producers and consumers on Monday to set aside short-t erm interests and work for stable crude prices. ...
03/07/2000	6,504,100	$44.500	7.879%	Factiva	Halliburton Names Robert Heinemann Technology Chief DALLAS -(Dow Jones)- Halliburton Co. (HAL) named Robert Heinemann to the newly created posit ion of chief technology officer, effective immediately. ...
03/07/2000	6,504,100	$44.500	7.879%	PR News	Halliburton Company Announces Chief Technology Officer
03/08/2000	5,965,000	$39.875	(10.393%)	Factiva	BLAKE IN THE BAG Halliburton Subsea has finally lost out to Coflexip in a nail-biting finish to a bid round t o provide field facilities for BG's Blake field. ...
03/08/2000	5,965,000	$39.875	(10.393%)	Factiva	ALGERIAN BLOWOUT CAPPED Boots & Coots International, Halliburton and Algerian national oil company, Sonatrach, have completed the initial capping phase of the well blowout in the Hassi-R Mel region of Algeria . ...
03/08/2000	5,965,000	$39.875	(10.393%)	Factiva	Qualification system with call for competition - miscellaneous supplies and services (Engl ?. Other information: DWO Heather Limited, Karahaganak Petroleum Operating BV, Bluewater Ser vices (UK) Ltd, SLP Engineering Ltd and Halliburton Manufacturing & Services Ltd are now par

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ticipating as subscribers to the First Point Assessment ...
03/08/2000	5,965,000	$39.875	(10.393%)	Factiva	Business briefs / Houston &Texas Halliburton fills new technology post Halliburton has named Robert Heinemann its chief technology officer, a new position for the oil-field services, engineering and construction company.
03/08/2000	5,965,000	$39.875	(10.393%)	PR News	Halliburton Company Establishes Global Deepwater Solutions Team
03/08/2000	5,965,000	$39.875	(10.393%)	RBC Capital Market	KAL:N-:FIRST-QUARTER RESULTS SHOULD BE SIGNIFICANTLY WEAKER THAN CONSENSUS
03/09/2000	3,038,500	$40.125	0.627%	Factiva	Halliburton Forms New Group, Halliburton said Wednesday that it has formed a new Houston-based business group devoted to deepwater project development. The deepwater group will pull resources from each of Halliburton Energy Services' product service lines. The ...
03/09/2000	3,038,500	$40.125	0.627%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 17,108,600 Procter Gamble 57 3/4 dn 1/4 1,501,700 AXA Financial 26 1/8 dn 3/8 5,645,800 Nat Semi 79 dn 3 1/2 2,281,400 Genentech Inc 187 1/2 dn 22 1/4 1,506,200 Olsten Corp 11 1/2 up 5/16 20 ...
03/09/2000	3,038,500	$40.125	0.627%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 17,108,600 Procter Gamble 57 3/4 dn 1/4 1,501,700 AXA Financial 26 1/8 dn 3/8 5,645,800 Nat Semi 79 dn 3 1/2 2,281,400 Genentech Inc 187 1/2 dn 22 1/4 1,506,200 Olsten Corp 11 1/2 up 5/16 20 ...
03/10/2000	2,282,400	$39.563	(1.402%)		
03/13/2000	2,387,400	$38.875	(1.738%)	Factiva	Halliburton forms team of experts From: Gulf of Mexico Newsletter -- Halliburton Energy Services has assembled a team of experts to develop deepwater solutions, specifically the best practices for solution development, business alignment, technology applications and ...
03/14/2000	2,894,500	$38.438	(1.125%)		
03/15/2000	1,718,300	$37.875	(1.463%)	Factiva	BROWN&ROOT BATTLES ON WITH BARRACUDA Opportunities for international contractors outside Brazil are likely to be few and far between on the huge Barracuda project. Main field contractor Halliburton/ Brown & Root is still finalising its contract details with Petrobras to ...
03/15/2000	1,718,300	$37.875	(1.463%)	Factiva	HES ESTABLISHES DEEP TEAM Halliburton Energy Services is following the deepwater specialist trail blazed by the likes of Shell and ABB by establishing a unit specifically for deep offshore operations. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/15/2000	1,718,300	$37.875	(1.463%)	Factiva	Mary Pearl Burnett Kirkpatrick KIRKPATRICK Mary Pearl Burnett Kirkpatrick died peacefully at home on March 13 following a l engthy illness. She was 65. Mary Pearl was born on Feb. 17, 1915, in LaGrange, TX, to Thomas Lee and Pearl Wade Burnett. She attended Catholic ...
03/15/2000	1,718,300	$37.875	(1.463%)	Factiva	Management Suggests Ending IBC. The largest shareholder of the International Business Center, a company formed to finance th e Meridian office complex, has proposed to its other shareholders that the venture be liquid ated due to its unprofitability. ...
03/16/2000	3,031,200	$39.375	3.960%		
03/17/2000	3,231,500	$38.375	(2.540%)	Factiva	Halliburton's miracle man. ROBERT Heinemann, Halliburton's new technology guru, is one of a growing new breed of oil ex ecutives appointed to spearhead innovation in an industry where cu tting-edge techniques giv e a competitive advantage. Just days into the job, he ...
03/17/2000	3,231,500	$38.375	(2.540%)	Factiva	Big brothers ride US price charger. BJ SERVICES, Halliburton and Schlumberger together provide more than 95% of pressure pumping services to the industry. While Halliburton and Schlumberger are larger companies, Joe Aqui ar of Johnson Rice figures that BJ has the leading or ...
03/19/2000	.	.	.	Factiva	A gorgeous book about wasted land 'The ice-fields are crossed for ever by a man in chains. In the farther distance, perhaps, a herd of reindeer drifts, or a hunter makes a shadow on the snow. But that is all. Siberia: It fills one twelfth of the land-mass of the whole Earth ...
03/20/2000	3,868,100	$36.188	(5.700%)	Factiva	WORLD NEWS - ASIA-PACIFIC - Clinton set to focus on business inBangladesh. Bill Clinton today becomes the first US president to visit Bangladesh in a trip expected to highlight possible business opportunities for US companies. ...
03/20/2000	3,868,100	$36.188	(5.700%)	Factiva	RESEARCH ALERT-MSDW alters global fresh money list. LONDON, March 20 (Reuters) - Morgan Stanely Dean Witter juggled the stocks in its "global fr esh money list" on Monday, adding Nasdaq-listed Israeli mobile phone company Partner Communi cations and e-commerce company Ariba . ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	Halliburton awarded a Mobil North Sea contract. Halliburton Subsea has been awarded an interesting contract. In early 2000 it was awarded th e contract for the supply and installation of a flexible production flowline in the North Se a. The deal is part of a five-year frame arrangement ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	BJ Services Files Patent Infringement Action Against Halliburton HOUSTON, March 21 /PRNewswire/ --BJ Services Company (NYSE: BJS; CBOE) announced today that it has filed a patent infringement lawsuit against Halliburton in connection with BJ's Vista r(TM) fracturing fluid system. The lawsuit was filed in ...

News and Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: FactSet Research Systems, Inc., Factiva, and Reuters Research on Demand
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03/21/2000	5,147,100	$37.500	3.627%	Factiva	DLJ ups five oil services firms to buy. NEW YORK, March 21 (Reuters) - Donaldson Lufkin & Jenrette said on Tuesday it raised five oi l services firms, including sector giants Halliburton Co. and Schlumberger Ltd. to buy from market perform. ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	BJ Services files patent suit against Halliburton. HOUSTON, March 21 (Reuters) - BJ Services Co., which provides pressure pumping and other oi lfield services, said Tuesday it filed a patent infringement lawsuit claiming that rival Hal liburton Co. uses a method patented by BJ Services. ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	BJ Services Files Patent Infringment Suit Vs Halliburton More Like This
03/21/2000	5,147,100	$37.500	3.627%	Factiva	BJ Services/Halliburton/Suit -2: Seeks Punitive Damages HOUSTON -(Dow Jones)- BJ Services Co. (BJS) filed a patent-infringement lawsuit against Hall iburton Co. (HAL) in a Houston federal court over its Vistar low-polymer fracturing fluid sy stems. ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	News Highlights: GE Sees 1st Quarter Net Modestly Exceeding Views Top Of The Hour General Electric Sees 1Q Net Modestly Exceeding Views>GE Dims Bancorp Reject s North Fork's Hostile Offer >DME Microsoft Launches Office 2000 Service Release >MSFT BJ Sv cs Files Patent Infringment ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	NYSE Most Actives At 10:00 A.M. Philip Morris 4,048,400 19 1/16 Dn 7/8 Compaq Compute 3,595,800 30 Dn 3/8 Amer Online 2,992, 300 65 3/16 Dn 1 11/16 AT&T 2,826,500 55 1/16 Dn 1 11/16 Disney (Walt) 2,392,800 39 1/4 Dn 3 /16 ...
03/21/2000	5,147,100	$37.500	3.627%	Factiva	Halliburton Says System Doesn't Infringe BJ Services Patent DALLAS -(Dow Jones)- Responding to a lawsuit filed by BJ Services Co. (BJS), Halliburton Co. (HAL) denied charges of patent infringement and plans to vigorously defend against the laws uit. ...
03/21/2000	5,147,100	$37.500	3.627%	PR News	Halliburton Does Not Infringe Patent
03/22/2000	6,013,500	$38.688	3.167%	Factiva	BJ Sues Halliburton Over Patent. BJ Services said Tuesday that it has filed a patent-infringement lawsuit in a Houston federa l court against Halliburton in connection with BJ's Vistar fracturing fluid system. ...
03/22/2000	6,013,500	$38.688	3.167%	Factiva	DLJ Raises 5 Service Firms. Donaldson Lufkin & Jenrette (DLJ) said Tuesday that it raised its ratings on shares of five oil services firms, including sector giants Halliburton and Schlumberger, to "buy" from "mar ket perform." ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/22/2000	6,013,500	$38.688	3.167%	Factiva	HALLIBURTON DOES NOT INFRINGE PATENT. Halliburton Company said that following the tremendous success of the company's Delta Frac, its Phoenix fracturing system is another in a series of low polymer, low gel residue products providing customers with excellent operating ...
03/22/2000	6,013,500	$38.688	3.167%	Factiva	Oman Chlorine signs $10 mln deal with Halliburton. MUSCAT, March 22 (Reuters) - Oman Chlorine has signed a $10 million deal to supply hydrochloric acid to U.S.-based Halliburton Co for a period of five years, a senior official said on Wednesday. ...
03/22/2000	6,013,500	$38.688	3.167%	Factiva	Business briefs / Houston &Texas BJ sues Halliburton over patented method BJ Services Co. sued rival Halliburton Co., claiming the world's largest oil-service company infringed its patent on a method that boosts output from oil and natural gas wells.
03/23/2000	4,305,600	$37.875	(2.100%)	Factiva	Halliburton Denies Infringement. Halliburton on Tuesday disputed an allegation by BJ Services that Halliburton's fracturing system infringes on a BJ Services patent (OD March22,p6). ...
03/23/2000	4,305,600	$37.875	(2.100%)	Factiva	Business briefs/ Houston &Texas Halliburton to fight BJ Services lawsuit Halliburton Co. says its Phoenix fracturing system, designed to increase the output of oil and gas wells, does not infringe on a patent held by Houston-based BJ Services.
03/23/2000	4,305,600	$37.875	(2.100%)	SunTrust Robinson	HAL - Rating Downgraded to Outperform Amid Oil Earnings Weakness
03/24/2000	3,593,600	$39.000	2.970%	Factiva	Texaco Joins Petrocosm. Petrocosm on Thursday said that Texaco has joined Petrocosm marketplace as a founding member of the first, global Internet marketplace created and owned by the energy industry. ...
03/24/2000	3,593,600	$39.000	2.970%	Factiva	TEXACO JOINS GLOBAL INTERNET MARKETPLACE, PETROCOSM AS A FOUNDING MEMBER. Petrocosm Corp. announced that Texaco Inc. has joined Petrocosm marketplace as a founding member of the first, global Internet marketplace created and owned by the energy industry. ...
03/24/2000	3,593,600	$39.000	2.970%	Factiva	BJ in patent showdown. BJ Services has filed a patent infringement lawsuit against Halliburton in Houston, Texas in connection with BJ's Vistar low-polymer fracturing fluid system, writes Blake Wright. ...
03/24/2000	3,593,600	$39.000	2.970%	Jefferies & Compan	Halliburton Company: Double Leverage To Higher Spending By The Mega International Oil Companies

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/27/2000	3,490,500	$38.125	(2.244%)	Factiva	Halliburton, McMoRan To Develop 160 Blocks NEW ORLEANS -(Dow Jones)- McMoRan Exploration Co. (MMR) and Halliburton Co. (HAL) formed an alliance to cooperate on McMoRan's new oil and gas exploration development program in the Gu lf of Mexico. ...
03/27/2000	3,490,500	$38.125	(2.244%)	PR News	McMoRan and Halliburton Form Alliance to Develop 160 Blocks On Gulf of Mexico Shelf
03/28/2000	5,176,000	$37.688	(1.148%)	Factiva	Labor attacks power privacy. Original Article By Michael Southwell. Western Power has been criticised for blocking the re lease of documents under Freedom of Information laws. It is over its joint venture with a bi g United States mining and energy conglomerate, Western ...
03/28/2000	5,176,000	$37.688	(1.148%)	Factiva	GOM 160 BLOCK ALLIANCE McMoRan and Halliburton have formed a strategic alliance to help explore and develop McMoRan 's 160 shallow-water Gulf of Mexico blocks. Halliburton Energy Services, Brown & Root Energy Services, and Landmark Graphics Corporation, all ...
03/28/2000	5,176,000	$37.688	(1.148%)	Factiva	McMoran Signs Halliburton for Gulf Program. McMoRan Exploration is preparing to undertake a huge drilling program in the Gulf of Mexico. The New Orleans-based exploration and production company said Monday that it has formed an alliance with Halliburton to develop up to 160 blocks on ...
03/28/2000	5,176,000	$37.688	(1.148%)	Jefferies & Compan	Halliburton Company: Double Leverage To Higher Spending By The Mega International Oil Compan ies (Printed Rpt)
03/29/2000	4,944,700	$40.250	6.799%	A.G. Edwards & Son	Halliburton Company - BUSINESS MIX TEMPERS NEAR-TERM EARNINGS OUTLOOK - VALUATION REMAINS AT TRACTIVE
03/29/2000	4,944,700	$40.250	6.799%	Factiva	RACE FOR RONCADOR'S SUBSEA SCOPE A host of offshore installation contractors were in a final this week to complete tender doc umentation for the 21 subsea wells required by Petrobras to bring its Roncador field up to f ull production in the Campos Basin in Brazil ...
03/29/2000	4,944,700	$40.250	6.799%	Factiva	PROJECT FINANCE POSES FOR PETROBRAS Finding development finance for the Brazil's Barracuda and Caratinga fields appears to be th e final hurdle that Petrobras and its selected contractor Halliburton/Brown and Root have to overcome to move the US $2.5 Bn project forward. ...
03/29/2000	4,944,700	$40.250	6.799%	Factiva	U.S. Options - Baker Hughes, Halliburton vols rise. CHICAGO, March 29 (Reuters) - Implied volatility in options of Baker Hughes Inc. and Halliburton Co. rose with active call activity in both oilfield services companies on Wednesday aft er OPEC's decision to boost oil production. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/29/2000	4,944,700	$40.250	6.799%	Factiva	Halliburton Unit Gets Texaco Exploration Systems Pact More Like This
03/29/2000	4,944,700	$40.250	6.799%	Factiva	News Highlights: NBC & World Wrestling Confirm XFL Deal Top Of The Hour NBC, World Wrestling Federation Confirm XFL Football Deal >GE WWFE Boston Scientific Files Patent Infringement Suit >BSX Schering-Plough: Some Asthma Pdts Don't Have Active Drug >SGP Halliburton ...
03/29/2000	4,944,700	$40.250	6.799%	Factiva	Halliburton Unit In Third-Party Seismic Data Management Pact DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Landmark Graphics Corp. unit signed a multiyear third-party agreement with Scientific Resolutions L.P. for technology to offer seismic data management services. ...
03/29/2000	4,944,700	$40.250	6.799%	PR News	Landmark and Scientific Resolutions, L.P. Sign a Multiyear Third-Party Agreement; ? - Agreement Is Key to Providing High-Efficiency Seismic Data Management Solutions - ?
03/29/2000	4,944,700	$40.250	6.799%	PR News	Landmark's PetroWorks Release Bridges the Gap Between Petrophysicists And Asset Team Members
03/30/2000	4,372,300	$40.563	0.776%	Factiva	Texaco, Landmark Team Up. Texaco on Wednesday announced plans to create a cutting-edge electronic environment that will advance the company's ability to find, produce, and manage oil and gas reserves worldwide. ...
03/30/2000	4,372,300	$40.563	0.776%	Factiva	McMoRan EXPLORATION CO. ANNOUNCES EQUITY OFFERING NEW ORLEANS--(BUSINESS WIRE)--March 30, 2000--McMoRan Exploration Co. (NYSE: MMR) announced today that it intends to offer approximately 3.5 million shares of MMR common stock. A 15 percent over-allotment option will be exercisable by the ...
03/31/2000	2,498,800	$41.125	1.387%	Factiva	McMoRan to Offer Shares. McMoRan Exploration said Thursday that it plans to offer about 3.5 million shares of its common stock to help fund oil and gas exploration and development operations in the Gulf of Mexico. ...
03/31/2000	2,498,800	$41.125	1.387%	Factiva	McMoRan draws in major ally. US INDEPENDENT McMoRan Exploration has teamed up with Halliburton to form an alliance aimed at conducting operations for the companies' pending oil and gas exploration and development programmes in the shallow-water Gulf of Mexico, writes ...
03/31/2000	2,498,800	$41.125	1.387%	PR News	Halliburton's New Management Assignments
03/31/2000	2,498,800	$41.125	1.387%	RBC Capital Market	HAL:M-/ESTIMATE REVISION DOWN AS PRICING/ACTIVITY RESULTS MODERATE

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/01/2000	.	.	.	Factiva	Halliburton Energy Services. Halliburton Energy Services has created a Global Deepwater Solutions Team made up of establi shed experts to speed the development and delivery of solutions.
04/01/2000	.	.	.	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type M 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
04/01/2000	.	.	.	Factiva	Appointment at Pipeline Engineering. Pipeline Engineering has appointed David Bacon to the position of Special Projects Director. He will be working on projects such as unique pipeline pigging and isolation solutions. He has previously worked for companies including BP, Shell ...
04/01/2000	.	.	.	Factiva	Bids and deals - Shell opens up. Oil giant Shell has announced two joint ventures and the launch of a gas drying device which it claimed could cut gas processing costs by up to 40%. The company has teamed up with priv ate equity investor and adviser Beacon to form Shell ...
04/02/2000	.	.	.	Factiva	Niigata Eng Sells Valve Firm Stake To Halliburton-Nikkei TOKYO (Nikkei)--Niigata Engineering Co. (6011 or J.NGE) has sold its entire stake in Niigata Masoneilan Co. to its partner Dresser Equipment Group, a division of Halliburton (HAL) for a n estimated 1.6 billion yen, sources close to the matter ...
04/02/2000	.	.	.	Factiva	Niigata Engineering to Quit JV with Halliburton Group Tokyo, April 3 (Jiji Press) - Niigata Engineering Co. said Monday it will sell all of its eq uity stake in a fifty-fifty joint venture to its partner, Dresser Industries Inc. of the Uni ted States, for 1,624.5 million yen.....
04/02/2000	.	.	.	Factiva	Halliburton Names Ortiz, Harl, Powers, Pope Unit President DALLAS -(Dow Jones)- Halliburton Co. (HAL) named Edgar Ortiz president and chief executive o f the company's Energy Services Group and Randy Harl president of Brown & Root Energy Servic es. ...
04/02/2000	.	.	.	Factiva	Japan Business Briefs:Niigata Engineering To Sell JV Shares TOKYO -(Dow Jones)- Niigata Engineering Co. (J.NGE or 6011), a mid-sized heavy-duty machiner y maker, has reached agreement with Halliburton Co. (HAL) of the U.S. to withdraw from their equally owned subsidiary Niigata Masoneilan Co. Niigata ...
04/02/2000	.	.	.	Factiva	Japan Business Briefs:DKB Shares Delisted From Swiss Bourse TOKYO -(Dow Jones)- Shares of Dai-ichi Kangyo Bank Ltd. (J.DKB or 8311) were delisted from t he Swiss stock exchange on March 31. DKB announced the delisting plan in December. ...
04/03/2000	2,452,600	$42.500	3.3436	Brown Brothers Har	HAL: FIRST-QUARTER PREVIEW

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/03/2000	2,452,600	$42.500	3.343%	Factiva	INTERNATIONAL Russian oil company OAO Tyumen Oil will get a $500-million (U.S.) loan from the U.S. Export-Import Bank to buy equipment and services from Halliburton Co. and ABB Lummus Global of the U.S. The decision by Secretary of State Madeleine ...
04/03/2000	2,452,600	$42.500	3.343%	Factiva	McMoRan taps partner to develop new gulf properties MCMORAN EXPLORATION CO. has formed a strategic alliance with Halliburton Co., one of the lar gest oil service firms in the world, to handle McMoRan's oil and gas operations in the Gulf of Mexico. ...
04/03/2000	2,452,600	$42.500	3.343%	Factiva	Tesoro Northwest Co.(signs contract with Kellogg Brown and Root)(Brief Article) Tesoro Northwest Co., a unit of Tesoro Petroleum Corp., San Antonio, let contract to Halliburton unit Kellogg Brown & Root (KBR), Houston, to provide its residuum oil supercritical extraction (ROSE) and fluid catalytic cracking technologies ...
04/03/2000	2,452,600	$42.500	3.343%	Factiva	PH NEWS (LAGOS) - British Oil Coy To Invest In Rivers. Lagos - A British Oil Company, Granherne Limited, has shown interest in investing in Rivers State, and negotiations between the top management of the company and top government officials are currently going on. ...
04/04/2000	4,340,700	$40.000	(5.882%)	Factiva	WORLD NEWS - TRADE - US unblocks loan guarantee for Russian oil. TNK, the Russian oil group, yesterday welcomed a controversial about-turn by the US to endorse a $500m loan ($314m) guarantee by the US Export Import Bank that had been earmarked for refinery upgrades. ...
04/04/2000	4,340,700	$40.000	(5.882%)	Factiva	Halliburton Officers Get Raises But No Bonuses In 1999 DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) senior officers, including Chairman and Chief Executive Richard B. Cheney, received salary increases but not performance-based bonuses last year. ...
04/05/2000	2,657,300	$38.000	(5.000%)	Factiva	Tyumen Oil Company Addresses Ex-Im Decision WHAT: A news conference to discuss the significance of the United States Export-Import Bank's action regarding two loans totaling $500 million to Russia's Tyumen Oil Company. The loan guarantees ...
04/05/2000	2,657,300	$38.000	(5.000%)	Jefferies & Compan	Oil Service Group Industry Update: In Light Of The Market Selloff And Volume In The Broad Markets, We Would Purchase The Following Names On Weakness
04/06/2000	3,241,300	$39.188	3.125%	Factiva	The Washington Daybook - General News Events 3 p.m. Foreign Affairs - News conference SPONSOR: Tyumen Oil Company TOPIC/SUBJECT: holds a news conference to discuss the significance of the Ex-Im Bank's action on two loans to Russia's Tyumen Oil Company. AGENDA: (Note: Teleconference ...
04/07/2000	4,632,400	$39.625	1.116%	Factiva	U.S. EX-IM BANK'S GUARANTEES OF TNK LOANS LARGEST IN RUSSIA. MOSCOW, April 7 (Interfax) - The loans extended to the Tyumen Oil Company, or TNK, are the largest guaranteed by the U.S. Ex-Im Bank for Russian companies, TNK President Semyon Kukes t

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					old Interfax on Friday. ...
04/07/2000	4,632,400	$39.625	1.116%	Factiva	U.S. EX-IM BANK'S GUARANTEES Of TNK LOANS LARGEST IN RUSSIA. MOSCOW, April 7 (Interfax) - The loans extended to the Tyumen Oil Company, or TNK, are the l argest guaranteed by the U.S. Ex-Im Bank for Russian companies, TNK President Semyon Kukes t old Interfax on Friday. ...
04/07/2000	4,632,400	$39.625	1.116%	Factiva	Highlands Insurance sues Halliburton on asbestos claims. WILMINGTON, Del., April 7 (Reuters) - Highlands Insurance Group Inc and a Texas unit have su ed their former parent, Halliburton Co., demanding that Halliburton and its Brown & Root sub sidiary cover "millions of dollars" in costs expected ...
04/07/2000	4,632,400	$39.625	1.116%	Factiva	EXIMBANK Approves Credits for TNK. At its meeting on April 6, the board of directors of the US EXIMBANK decided to provide abou t $500 million in guarantees for credits to the TYUMEN OIL COMPANY (TNK). ...
04/08/2000		.	.	Factiva	Russia: Tyumen Oil Company has a chance to obtain access to a $500 mil credit line.(Brief Russian Federation: Tyumen Oil Company (TNK) (Russia) has a chance to obtain access to a $50 0 mil cr it line after the US Eximbank had agreed to guarantee the loan. Meantime, TNK has signed an agreement with Russia Savings Bank (Sberbank ...
04/10/2000	3,265,200	$38.313	(3.312%)	Factiva	Halliburton,Science Applications In Exploration Web Pact DALLAS -(Dow Jones)- Halliburton Co. (HAL) and Science Applications International Corp. will form a venture to provide Web-based portals for upstream exploration and production profess ionals. ...
04/10/2000	3,265,200	$38.313	(3.312%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 260,100 Dug Lt QUIBS 2038 21 3/8 up 3/8 184,600 Totte & Acores pr 23 3/16 up 1 1/8 16,816,10 0 Compaq Computer 29 3/8 dn 1/2 8,250,000 Adv Micro Dev 75 1/2 unch 5,507,300 IBM 122 1/8 dn 1 5,050,800 ...
04/10/2000	3,265,200	$38.313	(3.312%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 260,100 Dug Lt QUIBS 2038 21 3/8 up 3/8 184,600 Totte & Acores pr 23 3/16 up 1 1/8 16,816,10 0 Compaq Computer 29 3/8 dn 1/2 8,250,000 Adv Micro Dev 75 1/2 unch 5,507,300 IBM 122 1/8 dn 1 5,050,800 ...
04/10/2000	3,265,200	$38.313	(3.312%)	PR News	Halliburton and SAIC to Form Internet Venture To Transform E&P Operational Processes
04/10/2000	3,265,200	$38.313	(3.312%)	PR News	ICARUS Corporation and Kellogg Brown & Root Sign $1.5 Million, Five-Year Contract for Implem entation of ICARUS Kbase(TM) Technology
04/11/2000	2,446,100	$40.188	4.894%	SunTrust Robinson	HAL -'Conference Presentation Cautious Near-Term; Positive Long-Term

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04/12/2000	2,172,000	$40.813	1.5556	Factiva	TAKING INTELLIGENCE FURTHER DOWNHOLE Halliburton is linking up with Shell to sell downhole well technology for intelligent comple tions - a market which is estimated to be worth US $1 Bn over the next ten years. ...
04/12/2000	2,172,000	$40.813	1.5556	Factiva	IHC Caland to sign $50 mln platform order. SCHIEDAM, Netherlands, April 12 (Reuters) - Shipbuilding and engineering group IHC Caland NV said on Wednesday its unit SBM Inc had signed a letter of intent to develop a $50 million m ooring platform in Nigeria for U.S. Halliburton. ...
04/12/2000	2,172,000	$40.813	1.5556	Factiva	Dutch Business Brief: IHC Caland Gets $50 Million Contract AMSTERDAM -(Dow Jones)- Dutch construction company IHC Caland NV (N.IHC) said it has signed a letter of intent with Halliburton Co. (HAL) to design and build a mooring platform off the coast of Nigeria. The deal is estimated at $50 million ...
04/12/2000	2,172,000	$40.813	1.5556	Factiva	UK Business Briefs: Shell International Beacon & Halliburton JVs LONDON -(Dow Jones)- Shell International Exploration and Production BV has entered into a jo int venture with The Beacon Group to form the Shell Technology Investments Partnership C.V. It will also form a 50-50 joint venture with the ...
04/12/2000	2,172,000	$40.813	1.5556	Factiva	UK Business Briefs: Old Monk/Slug & Lettuce Bid Talks Off LONDON -(Dow Jones)- Old Monk Company PLC (U OMK) said bid talks with Slug & Lettuce PLC (U SLU) have been called off. In a seperate statement Slug & Lettuce said it has received furth er approaches that may or may not lead to an offer. ...
04/12/2000	2,172,000	$40.813	1.5556	Factiva	Russia. Tyumen Oil Company to use new loans to boost crude and gasoline production. (Brief Russian Federation: Tyumen Oil Co. or TNK (Russia), one of Russia's top five oil companies, said it would use $700 mil in loans, including $500 mil in financing guaranteed by the Expor t-Import Bank of the United States, to boost crude oil ...
04/12/2000	2,172,000	$40.813	1.5556	PR News	Shell and Halliburton to form WellDynamics Joint Venture
04/13/2000	2,217,800	$39.313	(3.6756)	Factiva	Tie-up to boost development of global 'smart well' technology. THE founder of one of Aberdeen's most successful oilfield technology companies, Larry Kinch, is to head up a new enterprise between Shell and Halliburton. ...
04/13/2000	2,217,800	$39.313	(3.6756)	Factiva	HALLIBURTON/SHELL TEAM UP Halliburton is linking up with Shell to sell downhole well technology for intelligent comple tions - a market which is estimated to be worth US $1 Bn over the next 10 years ...
04/13/2000	2,217,800	$39.313	(3.6756)	Factiva	SHELL AND HALLIBURTON TO FORM WELLDYNAMICS JOINT VENTURE. Shell International Exploration and Production B.V., a company of the Royal Dutch/Shell Grou p of Companies, and Halliburton Company announced that they have signed a Memorandum of Unde rstanding for the establishment of a 50-50 joint venture ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/13/2000	2,217,800	$39.313	(3.675%)	Factiva	Shell entering venture with Halliburton /Companies to promote new well technology Shell and Halliburton said Wednesday they are joining together to push a small but emerging business called intelligent well completions, which they predict will grow into a $1 billion business in 10 years.
04/14/2000	2,603,600	$38.875	(1.113%)	Factiva	Sperry-Sun Drilling Services, a division of Halliburton Energy Services,Inc., and Landmark From: Press Release -- FOR IMMEDIATE RELEASE: April 14, 2000 Dallas, TX-Sperry-Sun Drilling Services, a division of Halliburton Energy Services, Inc. (HES) - a business unit of Halliburton Company, and Landmark Graphics Corporation, a ...
04/14/2000	2,603,600	$38.875	(1.113%)	Factiva	McMoRan EXPLORATION CO. ANNOUNCES PRICING OF COMMON STOCK NEW ORLEANS--(BUSINESS WIRE)--April 14, 2000--McMoRan Exploration Co. (NYSE: MMR) announced today its public offering of 3.0 million shares of common stock has been priced at $14.00 per share. This offering will generate net proceeds of ...
04/14/2000	2,603,600	$38.875	(1.113%)	Factiva	Chirag jacket. AUSTRALIA'S PCH Offshore has clinched a contract from Halliburton Brown & Root in Baku, Azerbaijan, to supply scaffolding services for the Chirag-3 jacket inspection in a deal worth $3.4 million. ...
04/14/2000	2,603,600	$38.875	(1.113%)	Factiva	Our Times / Orange County Communities COSTA MESA A judge ruled Wednesday that a Costa Mesa religious anti-government group has enough evidence to proceed with a lawsuit against the 26-year-old son of a member. The defendant's lawyer now has one week to persuade the judge to reverse that ...
04/14/2000	2,603,600	$38.875	(1.113%)	PR News	Landmark Releases DepthTeam Express - An Integrated Velocity Modeling And Depth Conversion Solution
04/17/2000	2,843,900	$38.438	(1.125%)	Factiva	Experts aim for speed. HALLIBURTON Energy Services (HES) has put together a team of experts in a bid to speed the development, application and delivery of deepwater solutions. The company says this marks an unparelleled commitment to the industry for the future ...
04/17/2000	2,843,900	$38.438	(1.125%)	Factiva	Halliburton unit wins $300 million contract. DALLAS, April 17 (Reuters) - Diversified energy company Halliburton Co. said on Monday its Brown & Root Energy Services unit was awarded a $300 million contract by the Shell Petroleum Development Co. of Nigeria Ltd. to develop an offshore ...
04/17/2000	2,843,900	$38.438	(1.125%)	Factiva	Halliburton Unit Gets $300 Million Pact From Shell Petroleum Devt Co DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Brown & Root Energy Services unit received a $300 million contract from Shell Petroleum Development Co. of Nigeria Ltd. ...
04/17/2000	2,843,900	$38.438	(1.125%)	PR News	Halliburton Business Unit Wins $300 Million Shell Contract

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/18/2000	3,619,400	$41.688	8.455%	Factiva	Oil firm wins $300m contract. HALLIBURTON has won a $300million contract to work on the development of the first major off shore oil and gas facility for Shell in Nigeria. Brown & Root Energy Services (BRES), a busi ness unit of Halliburton, was awarded the contract after ...
04/18/2000	3,619,400	$41.688	8.455%	Factiva	SBM to build platform for Halliburton. Alan Dickey Rotterdam SBM Inc, the Monaco-based floating production technology unit owned by Dutch group IHC Caland, has received a letter of intent from Halliburton for a turnkey cont ract to design, engineer and build a soft yoke mooring ...
04/18/2000	3,619,400	$41.688	8.455%	Factiva	NIGERIAN CONTRACT AWARDED TO HALLIBURTON BUSINESS UNIT BY SHELL. BROWN & ROOT ENERGY SERVICES (BRES), A BUSINESS UNIT OF THE HALLIBURTON COMPANY, HAS BEEN SE LECTED BY SHELL PETROLEUM DEVELOPMENT OF NIGERIA (SPDC) AND ITS PARTNERS TO WORK ON THE DEVE LOPMENT OF THE FIRST MAJOR OFFSHORE OIL AND GAS FACILITY ...
04/18/2000	3,619,400	$41.688	8.455%	Factiva	Halliburton Unit Picked for Work. Brown & Root Energy Services (BRES), a unit of Halliburton, has been selected by Shell Petro leum Development Co. of Nigeria (SPDC) and its partners to work on the development of the fi rst major offshore oil and gas facility for SPDC in ...
04/18/2000	3,619,400	$41.688	8.455%	Factiva	Canadian Imperial Venture Corp. - Testing to Begin Port au PortNo. 1 ST. JOHN'S, Nf, April 18 /CNW/ - Canadian Imperial Venture Corp. (Canadian Imperial) announc ed today that the Company has received all permits, from the Provincial department of Mines and Energy, necessary to enter the Port au Port No. 1 ...
04/19/2000	2,602,300	$41.438	(0.600%)	Factiva	Substantial work to start on Darwin-Spring railway soon. ADELAIDE, April 20, AAP - Substantial construction work on the Alice Springs to Darwin rail should start within the next month, senior executives involved with the construction consort ium said today. ...
04/20/2000	2,501,500	$42.250	1.961%	Factiva	NT's a gas, says Cheney. Original Article By Candan Smith. Dick Cheney, ceo of the Halliburton Corporation and former US Secretary of Defence, spoke about the future of the gas industry in the Northern Territo ry (NT). He said on 19 April 2000 that the Territory is ...
04/20/2000	2,501,500	$42.250	1.961%	Factiva	Rail work set for Dry but no date yet. Dick Cheney, ceo of the Halliburton Corporation, said on 19 April 2000 that work on the Alic e Springs to Darwin railway would start as planned. Cheney met with Northern Territory Chief Minister Denis Burke on 19 April 2000. He will also ...
04/20/2000	2,501,500	$42.250	1.961%	Factiva	Darwin railway to start next year. CONSTRUCTION of the Alice Springs to Darwin railway will begin next year, one of the project 's main financial backers confirmed yesterday. Halliburton chief executive officer Dick Chen ey said speculation of possible hitches were unfounded. ...
04/20/2000	2,501,500	$42.250	1.961%	Factiva	Halliburton upbeat on Australian rail link. ADELAIDE, April 20 (Reuters) - United States' energy and engineering firm Halliburton Co was upbeat on Thursday about progress on a A$1.25 billion (US$750 million) infrastructure proje

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ct in Australia as the company looked to further ...
04/20/2000	2,501,500	$42.250	1.961%	Factiva	SA - Timor operation good policy and well done says Cheney. ADELAIDE, April 20, AAP - Australia's leading role in the peacekeeping mission in East Timor was well executed, former US Secretary of Defence Dick Cheney said today. ...
04/22/2000	.	.	.	Factiva	Work on target for $1.2bn rail link in territory. Original Article By David Eccles. Construction of the $A1.2 billion Alice Springs to Darwin rail line should begin on schedule in May 2000. Halliburton Incorporated head Dick Cheney me t with South Australian Premier John Olsen on 21 April ...
04/22/2000	.	.	.	Factiva	Work on target for $1.2bn rail link in territory. CONSTRUCTION work on the $1.2 billion Alice Springs to Darwin railway is on track to begin n ext month as scheduled. Project consortium head Dick Cheney offered the vote of confidence y esterday after a meeting with Premier John Olsen. ...
04/22/2000	.	.	.	Factiva	Work on $1.2bn Darwin rail link to start soon. WORK on building the $1.2 billion Alice Springs to Darwin railway is to start next month as scheduled. Project consortium head Dick Cheney made the confident prediction yesterday after meeting Premier John Olsen. ...
04/24/2000	2,149,100	$41.625	(1.479%)		
04/25/2000	2,772,700	$41.750	0.300%	Factiva	Port au Port No. 1 Development Plan a Go (VSE:CQV) ST. JOHN'S, NF, April 25 /CNW/ - Canadian Imperial Venture Corp. (Canadian Imperia l) announced today that the Static Gradient Test on the Port au Port No. 1 well has been com pleted by its contractor, Halliburton Energy Services ...
04/25/2000	2,772,700	$41.750	0.300%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 2,976,700 Halliburton 41 7/16 dn 3/16 6,294,800 K mart 8 1/2 dn 1/4 1,999,700 Lorel Space 8 1/4 up 1/2 29,567,100 Compaq Computer 30 1/4 up 4 10,329,200 Procter Gamble 64 1/4 dn 6 1/4 8,772 ...
04/25/2000	2,772,700	$41.750	0.300%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 2,976,700 Halliburton 41 7/16 dn 3/16 6,294,800 K mart 8 1/2 dn 1/4 1,999,700 Lorel Space 8 1/4 up 1/2 29,567,100 Compaq Computer 30 1/4 up 4 10,329,200 Procter Gamble 64 1/4 dn 6 1/4 8,772 ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	U.S. EX-IM BANK'S GUARANTEES OF TNK LOANS LARGEST IN RUSSIA. The loans extended to the Tyumen Oil Company, or TNK, are the largest guaranteed by the U.S. Ex-Im Bank for Russian companies, TNK President Semyon Kukes told Interfax. ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	TNK LOAN - BIGGEST FOR U.S. EX-IM BANK IN RUSSIA - KUKES. The loan guarantees Russia's Tyumen Oil Company will receive from the U.S. Export-Import Ban k are the largest the bank has ever approved in Russia, TNK President Simon Kukes told Inter

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					fax. The bank's board approved $500 million in loan ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	TABLE-Halliburton Co first quarter oper net falls. First Call consensus $0.11 a share DALLAS, April 26 (Reuters) - HALLIBURTON CO Quarter Ended 31-Mar 2000 1999 Millions of dollars except per share data ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	Halliburton plans sale of unit, stock buyback. DALLAS, April 26 (Reuters) - Halliburton Co. , the world's biggest oilfield services company , said on Wednesday its board of directors had approved plans to sell its Dresser Equipment Group (DEG) unit which supplies equipment to the energy ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	Halliburton earnings fall but meet expectations. DALLAS, April 26 (Reuters) - Halliburton Co. reported a fall in first-quarter earnings on We dnesday but earnings per share for the world's biggest oilfield services company still met m arket Wall Street analysts' expectations. ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	UPDATE 1-Halliburton to sell Dresser Equipment unit. HOUSTON, April 26 (Reuters) - Halliburton Co., the world's biggest oilfield services company , said on Wednesday its board had approved plans to sell its Dresser Equipment Group, a supp lier to the energy and chemical industries. ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	Halliburton 1st Quarter Operating Net 11 Cents/Diluted Share Halliburton Co. - Dallas 1st Quar March 31: 2000 1999 Revenues $2,859,000,000 $3,261,000,000 Net Income a 264,000,000 b 62,000,000 Avg shrs (basic) 442,000,000 ...
04/26/2000	4,061,900	$43.625	4.491%	Factiva	Halliburton To Sell DEG Operations More Like This
04/26/2000	4,061,900	$43.625	4.491%	Factiva	REPEAT: Halliburton To Sell DEG Operations More Like This
04/26/2000	4,061,900	$43.625	4.491%	Factiva	REPEAT: Halliburton To Implement Share Repurchase Plan More Like This
04/26/2000	4,061,900	$43.625	4.491%	Factiva	News Highlights: AT&T Wireless IPO Priced At $29.50/Shr Top Of The Hour AT&T Wireless IPO Priced At $29.50 A Share >T Amazon.com 1Q Losses 90c/Share Vs 20c >AMZN Ingram Micro 1Q Net 65c/Diluted Shr Vs 29c >IM Tricon Global Restaurants 1Q Re v $1.6B Vs $1.81B >YUM Halliburton 1Q ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/26/2000	4,061,900	$43.625	4.491%	PR News	Halliburton Announces First Quarter 11 Cents Per Share Before Gain on Sale - Also to Sell Dresser Equipment Group and Implement Share Repurchase Program
04/27/2000	6,211,200	$45.500	4.298%	A.G. Edwards & Son	Halliburton Company - MAJOR RESTRUCTURING ANNOUNCED/WEAK INTERNATIONAL MARKETS DELAY EARNING S RECOVERY
04/27/2000	6,211,200	$45.500	4.298%	CIBC World Markets	HAL: 1Q00 EPS in Line; Announces Intention to Sell Dresser Equipment Group
04/27/2000	6,211,200	$45.500	4.298%	Deutsche Bank Rese	HAL: 1Q00 EPS IN LINE WITH OUR ESTIMATE-REDUCING 2000/2001 ESTIMATES-MARKET PERFORM
04/27/2000	6,211,200	$45.500	4.298%	Factiva	U.S. "EX-IM BANK" TO GRANT "TYUMEN" $500 MILLION IN LOAN GUARANTEES. The American "Export-Import Bank" has approved $500 million of loan guarnatees for Russian o il company "Tyumen Oil Company". The guarantees, the largest ever approved by the bank in Ru ssia, will enable "Tyumen" to implement projects in ...
04/27/2000	6,211,200	$45.500	4.298%	Factiva	Table Of Recent Stock Buyback Announcements Company/Ticker Buyback Amount Other Details Wednesday 4/26 Atrion Corp. (ATRI) 200,000 share s 2.04 mln outstanding Century Bankshares (CTRY) 130,000 shares Charter One Financial (CF) 7 .5 mln shares ...
04/27/2000	6,211,200	$45.500	4.298%	Factiva	NYSE Most Actives At 12:00 P.M. Nokia ADS 13,948,200 55 1/8 Up 3 1/4 AT&T 11,480,100 48 1/8 Dn 2 7/8 Compaq Compute 8,450,20 0 28 1/16 Dn 3/16 Philip Morris 6,531,000 22 Dn 5/16 Lucent Technol 6,509,800 64 13/16 Up ..
04/27/2000	6,211,200	$45.500	4.298%	Factiva	NYSE Most Actives At 1:00 P.M. Nokia ADS 16,280,600 55 7/8 Up 4 AT&T 13,843,100 48 1/4 Dn 2 3/4 Compaq Compute 11,596,200 2 9 7/16 Up 3/16 Philip Morris 8,156,900 21 15/16 Dn 3/8 Amer Online 7,782,000 59 5/8 Dn 3/8 . ..
04/27/2000	6,211,200	$45.500	4.298%	Factiva	NYSE Most Actives At 2:00 P.M. AT&T 19,376,900 47 5/8 Dn 3 3/8 Nokia ADS 18,876,400 55 5/8 Up 3 3/4 Compaq Compute 14,012,3 00 29 3/8 Up 1/8 Philip Morris 9,576,200 22 Dn 5/16 Amer Online 9,054,200 59 11/16 Dn ...
04/27/2000	6,211,200	$45.500	4.298%	Jefferies & Compan	Halliburton Company: HAL's 1st Q in line-HAL announces division sale and major share repurch ase
04/27/2000	6,211,200	$45.500	4.298%	RBC Capital Market	HAL:N-/PT 1 OF 2: 1Q00 RESULTS IN LINE/ REFOCUSING ALONG CORE BUSINESS LINES

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/27/2000	6,211,200	$45.500	4.298%	RBC Capital Market	HAL:N-;PT Z OF 2: 1Q00 RESULTS IN LINE; REFOCUSING ALONG CORE BUSINESS LINES
04/27/2000	6,211,200	$45.500	4.298%	SunTrust Robinson	HAL - Q1 EPS Solid, Co. Plans Dresser Equipment Sale, Reiterate Outperform
04/28/2000	2,726,800	$44.188	(2.885%)	Factiva	Halliburton to Sell Dresser Equipment Unit. Halliburton is putting its Dresser Equipment Group on the auction block because it does not meet the service company's core strategies, said Guy T. Marcus, company vice president for i nvestor relations. ...
05/01/2000	2,864,600	$44.250	0.141%	Factiva	Services/Suppliers...Management move at Grant Geophysical Inc From: Oil and Gas Journal -- Darci Matos was named area manager of Grant Geophysical's South ern Latin America operations. He held senior management positions at Sun Microsystems, Weste rn Geophysical Inc and Halliburton Geophysical Services ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	McMoRan gains exploratory rights. (oil and gas exploration in Gulf of Mexico) (Brief Article McMoRan Exploration and Halliburton have allied themselves for exploration and development o perations in the Gulf of Mexico. By combining McMoRan's lease rights acquired from Texaco E& P and Shell Offshore with McMoRan's lease inventory ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Grant Geophysical, Inc. (Brief Article) (Statistical Data Included) Houston, Tex., has named Darci Matos area manager Southern Latin America. Matos will be a ke y member of the regional management team based in the Grant Rio de Janeiro office. ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 230600 3. Report Type H 4. Company Name Hallib urton Denmark A/S 5. Address Storstrommevej 6 6. Postal Code 6715 ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Halliburton is understood to have agreed a strategic alliance Halliburton is understood to have agreed a strategic alliance with McMoRan Exploration under which Halliburton will conduct operations on McMoRan's recently acquired Gulf of Mexico fie lds. ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Amerada Hess increased production from its South Arne fiel... Amerada Hess increased production from its South Arne field to the platform capacity - 90,00 0 b/d of oil with 70m cf/d of gas - through a well stimulation operation lasting 284 days. T he five horizontal production wells in the low ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Halliburton and McMoRan Exploration have formed... Halliburton and McMoRan Exploration have formed an exploration and production alliance to de velop McMoRan's Gulf of Mexico shelf leasehold covering 750,000 acres. McMoRan recently purc hased or gained exploration rights to 89 Texaco blocks ...
05/01/2000	2,564,600	$44.250	0.141%	Factiva	Panorama: Brazil BRAZIL HALLIBURTON, a Dallas-based energy equipment supplier, and Brown and Root, a Houston-based engineering company, will build facilities for the Barracuda and Caratinga offshore oi

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					1 projects located in the Campos Basin. The contract is ...
05/01/2000	2,564,600	844.250	0.141%	Factiva	Major technologies selected for Anacortes refinery upgrade. (Kellogg Brown and Root receive Kellogg Brown & Root (KBR), a business unit of Halliburton Co., has been selected to provide its state-of-the-art residuum oil supercritical extraction (ROSE) and fluid catalytic cracking (FCC) technologies for a major upgrade at Tesoro ...
05/01/2000	2,564,600	844.250	0.141%	PR News	Halliburton Company Announces Global Business Development Executive Vice President
05/02/2000	4,271,000	847.375	7.062%	Factiva	nOffshorenHalliburton plans sale of Dresser unit. OIL services giant Halliburton is to sell off its Dresser Equipment Group unit and buy back 10% of its own shares, writes John McLaughlin, New York. ...
05/02/2000	4,271,000	847.375	7.062%	Factiva	Halliburton Names Executive VP. Halliburton announced Monday the appointment of John Kennedy as executive vice president. Copyright 2000. The Oil Daily Co. For more infomation, call 800-999-2718 (in U.S.) or ...
05/02/2000	4,271,000	847.375	7.062%	PR News	Halliburton Pioneers Revolutionary Drilling and Intervention System; Real Time Solutions a Reality With Anaconda(TM) Technology
05/03/2000	3,227,100	845.250	(4.485%)	PR News	Landmark Awards Record $13 Million in Integrated E&P Software and Services To Universities
05/04/2000	2,462,900	847.000	3.867%	Factiva	Halliburton Unveils Anaconda Well Technology. Halliburton has successfully completed drilling its first well using its new Anaconda Advanced Well Construction System, an integrated approach that will allow operators to tap previously unrecoverable offshore reserves. ...
05/05/2000	2,919,600	846.875	(0.266%)	Brown Brothers Har	HAL: TRIMMING ESTIMATES; MAINTAIN BUY/BUY RATINGS
05/05/2000	2,919,600	846.875	(0.266%)	Factiva	People and Promotions. George W Bush has chosen Halliburton chief Dick Cheney to head his vice presidential selection team. Cheney was defense secretary under the presumptive Republican presidential nominee's father, a position he held during the Gulf war. ...
05/05/2000	2,919,600	846.875	(0.266%)	Factiva	Lila Omega McBrier McBRIER Lila Omega, was born Jan. 4, 1908 in Paris, Texas to John & Rhoda Long. She moved to Morrison, OK at an early age. Lila graduated from Morrison High School and attended OSU. She worked in the retail business for over 35 years as a ...
05/05/2000	2,919,600	846.875	(0.266%)	Factiva	THE BOARD of oilfield services giant Halliburton has approved plans to sell its Dresser Equipment Group, a supplier to the energy and chemical industries. Separately, Dallas-based Halli

THE BOARD of oilfield services giant Halliburton has approved plans to sell its Dresser Equipment Group, a supplier to the energy and chemical industries. Separately, Dallas-based Halli

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					iburton said the board had approved plans for a ...
05/05/2000	2,919,400	$46.875	(0.266%)	Factiva	Halliburton workforce headaches. HALLIBURTON has rushed to defuse a labour-relations crisis that threatened to disrupt oilfie ld services in Nigeria. Strike action by junior staff came just weeks after a disgruntled se nior Nigerian executive took the international E&P ...
05/05/2000	2,919,400	$46.875	(0.266%)	Factiva	Halliburton's new snake has bite. OIL SERVICE giant Halliburton has unveiled a new well construction system aimed at cutting c osts and extending the well reach potential for any reservoir around the world. ...
05/07/2000	.	.	.	Factiva	Stock Buybacks Companies generally use stock buybacks to increase earnings per share by reducing shares out standing. Here are some buybacks announced last week: ...
05/08/2000	3,223,000	$48.375	3.200%	Brown Brothers Har	HALLIBURTON COMPANY
05/08/2000	3,223,000	$48.375	3.200%	PR News	Southern Company Reaches Milestone at Clean-Coal Test Facility; Researchers Turn Coal Into G as, Raising Hope For New Coal Technology
05/09/2000	2,845,900	$48.938	1.163%		
05/10/2000	3,447,500	$49.188	0.511%		
05/11/2000	3,282,700	$50.375	2.414%	Factiva	Shaw Industries (SHL.A-TSE) $17.50, up $2.85 The stock surged on speculation that Shaw is about to be taken out by Halli burton Co. of Dallas, with 458,923 shares trading hands -- even as Shaw management moved to quash the rumours. "These rumours have no foundation ...
05/11/2000	3,282,700	$50.375	2.414%	Factiva	HALLIBURTON SEEKING TO FOSTER PARTNERSHIPS WITH SONATRACH. ALGERIAN PRESIDENT ABDELAZIZ-ZO BOUTEFLIKA HAS HELD BILATERAL TALKS HERE WITH THE CHAIRMAN O F-ZO THE UNITED STATES OIL FIRM, HALLIBURTON. DICK CHENEY. ...
05/12/2000	3,716,800	$50.088	(0.574%)		
05/15/2000	3,953,300	$51.563	2.948%	Factiva	Halliburton Eyes Hydrates. Halliburton researchers are among several groups trying to unlock the potential fuel resourc es in hydrates, crystallized natural gas hydrocarbons often trapped in Gulf of Mexico offsho re sediment. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/15/2000	3,953,300	$51.563	2.948%	Factiva	Halliburton Unveils Drilling System. A new well-drilling system that Halliburton unveiled at the Offshore Technology Conference (OTC) in Houston recently enables producers to drain more of an offshore field's reservoir th rough real-time data interpretation and drill bit ...
05/15/2000	3,953,300	$51.563	2.948%	Factiva	Movers on the way. Broadcasting Belo Corp. has tapped Ken Kotara as vp of finance, responsible for financial pl anning and analysis, corporate ac-counting and operational analysis. He was most recently vp of shared services for Halliburton Co....The Tribune Co ...
05/15/2000	3,953,300	$51.563	2.948%	Factiva	PERSONALS Barry Thurston, pres., Columbia TriStar TV Distribution, retires July 1... Tribune Co. chang es: David Miller, vp-development, Tribune Interactive, moves to pres.; Hilary Schneider, vp-Times Mirror and pres.-CEO Times Mirror Interactive ...
05/15/2000	3,953,300	$51.563	2.948%	Factiva	UK Business Briefs: Cadcentre Gets $1 Million Service Contract LONDON -(Dow Jones)- Cadcentre Group PLC (U.CCN),a provider of integrated IT solutions, sign ed a contract with Halliburton Co. (HAL) initially valued "in excess of" $1 million. The com pany will provide computer-aided engineering services to ...
05/15/2000	3,953,300	$51.563	2.948%	Factiva	UK Business Briefs:Gaming Internet Unit Offers Free Games LONDON -(Dow Jones)- Gaming Internet PLC (U.GMI) said its SportsMAD.com portal will offer fr ee online games to visitors. Additional sites will be added as part of a GBP1 million develo pment program. ...
05/15/2000	3,953,300	$51.563	2.948%	Factiva	UK Business Briefs: Wickes 19 Wks Same Store Sales +4.8% LONDON -(Dow Jones)- Wickes PLC (U.WKS) has reported a 4.8% increase in comparable sales in the 19 weeks to May 13 and in the key five week period to May 6 were up 8.6%. Focus Do-It-Al l has made a hostile GBP295 million offer for Wickes ...
05/15/2000	3,953,300	$51.563	2.948%	PR News	John Gibson Named President and CEO of Landmark Graphics
05/16/2000	3,477,600	$51.500	(0.121%)	Factiva	PR Newswire Southwest Summary, Tuesday, May 16, to 7:00 p.m. EDT Following is a summary of press releases about Texas, Oklahoma, Louisiana and Arkansas compa nies and organizations transmitted today by PR Newswire. The full text of these releases is available at the PRN Press Room, http://www.prnmedia.com ...
05/16/2000	3,477,600	$51.500	(0.121%)	Factiva	Halliburton says interest high in Dresser Equipment. DALLAS, May 16 (Reuters) - Oilfield services giant Halliburton Co. said on Tuesday there has been a lot of interest from potential bidders for its Dresser Equipment Group, which Halliburton put on the block last month. ...
05/16/2000	3,477,600	$51.500	(0.121%)	Factiva	Cheney says won't go back to Washington with Bush. DALLAS, May 16 (Reuters) - Former Defence Secretary Dick Cheney on Tuesday said he would not return to a new administration if his political friend, Republican presidential contender G eorge W. Bush, wins the White House in November. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/16/2000	3,477,600	$51.500	(0.121%)	Factiva	Halliburton Declares 12.5 Cents Regular Quarterly Dividend Pay June 22, rec June 1. 01:14 PM
05/16/2000	3,477,600	$51.500	(0.121%)	Factiva	Our Times: Orange County Community News COSTA MESA A man being sued for harassment by a religious sect has filed a countersuit, claiming the gr oup is abusing the legal system. Thomas Halliburton, 26, of Costa Mesa and his lawyer, Josep h Donahue, contend the Peacemakers are using the courts ...
05/16/2000	3,477,600	$51.500	(0.121%)	PR News	Halliburton's 2000 Shareholders' Meeting and Second Quarter Dividend
05/17/2000	4,051,700	$51.000	(0.971%)	Factiva	World's largest FPSO to be built. The logistics of a major oil and gas facility are staggering. In early 2000 Brown & Root Ene rgy Services has been selected by the Shell Petroleum Development Company of Nigeria and its partners for a major project. This is to develop its ...
05/17/2000	4,051,700	$51.000	(0.971%)	Factiva	Cheney says he would not join Bush administration DALLAS (AP) - Dick Cheney, who is leading George W. Bush's search for a vice president, says he will not become part of Bush's administration if the governor is elected president. ...
05/17/2000	4,051,700	$51.000	(0.971%)	Factiva	HALLIBURTON IN ALGERIAN TALKS Representatives of US service giant Halliburton have been holding meetings in Algeria in a b id to foster relations with national oil company Sonatrach. ...
05/17/2000	4,051,700	$51.000	(0.971%)	Factiva	Interest in Halliburton Unit High. Oil field services giant Halliburton said Tuesday that there has been a lot of interest from potential bidders for its Dresser Equipment Group, which Halliburton put on the block last month (OD Apri128.pd). ...
05/17/2000	4,051,700	$51.000	(0.971%)	Factiva	Dividends Declared. DIVIDENDS DECLARED Company Ticker Exch Announced Rec-Date Pay Date Amount Type Halliburton C o. HAL NYSE 5/16/00 6/1/00 6/22/00 $0.125 Quarterly Questar Corp. STR NYSE 5/16/00 5/26/00 6 /19/00 ...
05/17/2000	4,051,700	$51.000	(0.971%)	SunTrust Robinson	HAL - Increasing Price Target Due to Expected Foreign Recovery
05/18/2000	4,052,000	$49.625	(2.696%)	Factiva	What's happening in exploration...Visualization centers becomingthe norm From: World Oil -- Continuum Resources International demonstrated remote collaboration in it s 3-D visualization center with data display and voice systems. Other companies with visuali zation centers include Western Geophysical, Schlumberger ...
05/19/2000	2,898,600	$50.875	2.519%	Factiva	Oil big-hitters joining Bush campaign team. TEXAS Governor and presumptive Republican candidate for the US presidency George Bush has na med two well-known oil industry figures to key posts on his campaign team. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/19/2000	2,898,600	$50.875	2.519%	Factiva	AGIP mobilised the Sedco Forex 709 last weekend ce AGIP mobilised the Sedco Forex 709 last weekend to spud its first deep-water well on bloc k OPL-211 off the Niger Delta. Studies are under way on a number of structures identified by a 3D seismic sweep conducted by Western in 1997. ...
05/19/2000	2,898,600	$50.875	2.519%	Factiva	Brovig issue. OSLO-BASED floating production contractor Brovig Offshore plans a share issue worth up to Nk r350 million ($39 million) to support ambitious growth plans. ...
05/21/2000	.	.	.	Factiva	CHRONICLE 100 LEADING COMPANIES / CHRONICLE 100 ALL ENERGY - WORLDWIDE LINKS / Net making The computer monitors and curved, wall-mounted screens look like something out of NASA, but this operation isn't about space. The dials and gauges that appear on one monitor are simula ting a driller's console, ticking off numbers in the ...
05/22/2000	2,964,900	$47.375	(6.880%)	Factiva	RESEARCH ALERT-DLJ cuts Halliburton Co.. NEW YORK, May 22 (Reuters) - Donaldson, Lufkin & Jenrette on Monday lowered its rating on oi lfield services giant Halliburton Co. to market performance from buy, saying the downgrade w as based on valuation. ...
05/23/2000	2,154,900	$48.750	2.902%	Factiva	Halliburton Unit, BioComp Get Reservoir Control Patent HOUSTON -(Dow Jones)- Halliburton Co.'s (HAL) Energy Services Inc. unit and BioComp Systems received a patent for methods for controlling the development of oil and gas reservoirs. ...
05/24/2000	2,451,600	$48.500	(0.513%)	Brown Brothers Har	HAL: QUARTERLY INCOME STATEMENT
05/24/2000	2,451,600	$48.500	(0.513%)	Factiva	MEMPHIS AREA DEATHS THROUGH TUESDAY, MAY 23 ELMER LEE BEAMON, 70, of Memphis, retired housekeeper for Memphis Veterans Medical Center, d ied of heart failure Monday at Delta Medical Center. Services will be at noon Tuesday at For d Chapel AME Zion Church on Mitchell with burial in West ...
05/24/2000	2,451,600	$48.500	(0.513%)	Factiva	Halliburton, BioComp Get Patent. Halliburton and BioComp Systems jointly announced Tuesday the award of US patent 6,002,985 d escribing methods for controlling the development of oil and gas reservoirs. ...
05/25/2000	2,107,200	$48.313	(0.387%)	Factiva	TNK plans transition to single share by end 2000, early 2001. MOSCOW, May 25 (Prime-TASS) - Tyumen Oil Company (TNK) plans to complete the transition to t he single share by the end of 2000 or in the first quarter of 2001, Viktor Vekselberg, membe r of the Board of Directors of TNK told press conference ...
05/26/2000	1,090,200	$46.875	(2.975%)		

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/27/2000	.	.	.	Factiva	BARRON'S: Gusher Ahead: Expect Halliburton's Profits -- And Its Share Price -- To Continue Oilfield stocks are rallying. The major energy companies will likely reopen their wallets so on. So why do shares of Halliburton, the world's second-largest oil-service outfit, lag? The short answer is that the Dallas-based company gets ...
05/27/2000	.	.	.	Factiva	BARRON'S: Expect Halliburton's Profits To Keep Rising Oilfield stocks are rallyang. The major energy companies will likely reopen their wallets so on. So why do shares of Halliburton, the world's second-largest oil-service outfit, lag? The short answer is that the Dallas-based company gets ...
05/28/2000	.	.	.	Factiva	International exposure could help Halliburton-Barron's. NEW YORK, May 28 (Reuters) - Halliburton Co. , a company that has been left behind in the ra lly among oil-services stocks, may be set to rally over the next 18 months, reported Barron' s, a weekly financial newspaper. ...
05/29/2000	.	.	.	Factiva	Gusher Ahead: Expect Halliburton's profits -- and its share price -- to continue rising Oilfield stocks are rallying. The major energy companies will likely reopen their wallets so on. So why do shares of Halliburton, the world's second-largest oil-service outfit, lag? The short answer is that the Dallas-based company gets ...
05/30/2000	2,695,300	$49.000	4.5334	Factiva	Hot Stocks To Watch In Barron's: XRX HAL CVC VRSN PLCH Below are stocks highlighted in the May 29 issue of Barron's: Xerox Second-half earnings cou ld be Fri. close 25 7/16 40% above prior period; analysts On 2.2% looking for 18%-plus earni ngs gain 1.4M Shares ...
05/31/2000	2,626,300	$50.938	3.9544	Factiva	Halliburton gains patent. Methods for controlling the development of oil and gas reservoirs have been patented. Hallib urton and BioComp Systems have jointly developed this methodology. It enables Halliburton to help maximise reservoir performance as it provides ...
05/31/2000	2,626,300	$50.938	3.9544	Factiva	Shell and Halliburton make Smart team. Shell International Exploration & Production and Halliburton intend to share offshore energy industry technologies globally. A memorandum of understanding between the companies will al low the SmartWell and iWell technologies to be jointly ...
05/31/2000	2,626,300	$50.938	3.9544	Factiva	Anaconda has a grip on well construction. Halliburton Energy Services has developed a new well construction system. It is known as the "Anaconda Advanced Well Construction System" and marks a step change in well construction and intervention processes, the first for 20 years, the ...
05/31/2000	2,626,300	$50.938	3.9544	Factiva	Technology Must Make Money, Not Just Tools. It is the age of innovation, so it is not really surprising that some leading oil companies are rethinking their research and development efforts in a big way. Two of those firms - Roy al Dutch/Shell and Chevron - have already adopted new ...
05/31/2000	2,626,300	$50.938	3.9544	Factiva	Moving Quickly. The need to move quickly is obvious in today's era of constant innovation where many people are trying to exploit the same good ideas at the same time, Shell's Warren says, and leaders

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					hip advantages are often measured in months, not years ...
05/31/2000	2,626,300	$50.938	3.954%	Jefferies & Compan	Halliburton Company: Raising Price Target To $56
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	Waukesha For Sale ... Honeywell Thermal Buys Serck ... Deere Timberjack Nearly Done ... Re Waukesha Engine is officially on the block as Halliburton Co., Dallas, Tex., has announced i ts intention to sell the company's Dresser Equipment Group (DEG), of which the Waukesha, Wis ., gas engine manufacturer is a part. Halliburton had ...
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	Intelligent completion solutions. Shell and Halliburton have signed a Memorandum of Understanding for a 50:50 joint venture to further develop and market Halliburton's SmartWell(TM) technology and Shell's iWell(TM) tec hnology to the oil and gas industry on a global basis ...
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	Malampaya CGS rolling. THE CONCRETE gravity structure for Shell's Malampaya field in the Philippines has been succe ssfully towed out from its construction dock at Subic Bay. ...
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	Halliburton Unit In Multi-Yr Tech Pact With U.K. Co DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Landmark Graphics Corp. unit signed a multiyear agreement with Foster Findley Associates Ltd. to make Foster's three dimensional image proc essing available to users of Landmark's EarthCube ...
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	Halliburton business unit wins Shell contract.(Brown and Root Energy Services)(Brief Artic Brown & Root Energy Services (BRES), a business unit of Halliburton Co., has been selected b y The Shell Petroleum Development Co. of Nigeria Ltd. and its partners to work on developman t of the first major offshore oil and gas facility for ...
06/01/2000	2,617,800	$50.750	(0.368%)	Factiva	New drilling/intervention concept, other news.(Brief Article) At OTC 2000 in Houston, Halliburton Energy Services announced that initial trials of its rev olutionary new technology, the Anaconda Advanced Well Construction System, have been successe fully completed. Based on breakthrough advances in ...
06/01/2000	2,617,800	$50.750	(0.368%)	PR News	Landmark and Foster Findley Sign Agreement to Deliver Advanced 3-D Image Processing Solution s for Collaborative Volume Interpretation
06/02/2000	3,156,000	$48.250	(4.926%)	Factiva	Cadcentre - results. Cadcentre Group, the Cambridge-based supplier of engineering software for the process and po wer industries, saw profits for the year to the end of March buoyed by its first big, long-t erm contract. Pre-tax profits rose 44% to £4.34m on ...
06/02/2000	3,156,000	$48.250	(4.926%)	Factiva	Sibneft To Set Up Field Development Research Centre. Moscow, sted geological modeling and construct development plans for Sibneft s various field s. The centre will be equipped wit h geological modeling software supplied by international

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					oilfield service company Schlumberger and Halliburton ...
06/02/2000	3,156,000	$49.250	(4.826%)	Factiva	Sibneft To Set Up Field Development Research Centre. Moscow...ated geological modeling and construct development plans for Sibneft s various field s. The centre will be equipped wit h geological modeling soft-ware supplied by international oilfield service company Schlumberger and Halliburton ...
06/02/2000	3,156,000	$49.250	(4.926%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 524,400 Agilent Tech wi $1 13/16 up 7 9/16 10,402,400 Pfizer Inc 43 9/16 dn 1 7/16 274,800 T VA PARRS 2029 20.243/2 up 1 3/256 17,200,900 America Online 97 up 3 7/8 8,419,200 Briat Myr Sqb $0 7/8 dn 2 7/16 ...
06/02/2000	3,156,000	$49.250	(4.926%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 524,400 Agilent Tech wi $1 13/16 up 7 9/16 10,402,400 Pfizer Inc 43 9/16 dn 1 7/16 274,800 T VA PARRS 2029 20.243/2 up 1 3/256 17,200,900 America Online 97 up 3 7/8 8,419,200 Briat Myr Sqb $0 7/8 dn 2 7/16 ...
06/05/2000	3,201,300	$45.563	(5.570%)	Factiva	Landmark signs deal with FFA. HALLIBURTON subsidiary Landmark Graphics Corporation has signed a multi-year agreement with Foster Findley Associates which is, in turn, majority owned by Aberdeen-based EnterMedia. ..
06/05/2000	3,201,300	$45.563	(5.570%)	Factiva	TRAVELERS' TALES.(Brief Article) This fall, the publisher Launches Travelers' Tales Classics, a new series of long-lost trave l literature, with Unbeaten Tracks in Japan (Sept., $14.95) by Isabella Bird, originally pub lished in 1878, and Richard Halliburton's 1925 globe ...
06/05/2000	3,201,300	$45.563	(5.570%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 3,500,800 MediaOne Group 68 11/16 up 1 11/16 10,671,200 AT&T Corp 36 3/4 up 1 5/8 713,900 wa tn Res 19 5/8 dn 5/16 416,300 Cemex SA de CV 21 13/16 dn 9/16 241,300 Hanaford 72 dn 9/16 ..
06/05/2000	3,201,300	$45.563	(5.570%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 3,500,800 MediaOne Group 68 11/16 up 1 11/16 10,671,200 AT&T Corp 36 3/4 up 1 5/8 713,900 wa tn Res 19 5/8 dn 5/16 416,300 Cemex SA de CV 21 13/16 dn 9/16 241,300 Hanaford 72 dn 9/16 ..
06/06/2000	2,809,400	$48.500	6.447%	Factiva	Halliburton Unit Installs Platform. Houston-based Brown & Root Energy Services (BRES), a business unit of Halliburton, said Mond ay that it has installed the 100,000-ton Malampaya concrete gravity substructure (CGS) offsh ore Palawan Island in the Philippines. ...
06/07/2000	2,133,400	$47.500	(2.062%)		
06/08/2000	3,002,100	$46.625	(1.842%)	Factiva	TENNESSEE'S FIRST MISS AMERICA DIES AT 74 Barbara Walker Hummel, the 1947 Miss America and a Miss Memphis, died Wednesday morning of h eart failure at Methodist Healthcare Central Hospital. She was 74. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/09/2000	2,567,000	$45.688	(2.011%)	Factiva	RESEARCH ALERT-DLJ trims Halliburton Q2 operating earns by a pen. NEW YORK, June 9 (Reuters) - Donaldson, Lufkin & Jenrette analyst Arvin Senger on Friday low ered his second quarter operating earnings on oil exploration giant Halliburton by a penny a fter a meeting with the company's management Thursday. ...
06/12/2000	2,181,600	$46.313	5.746%	Factiva	Aker Maritime, Inc. Houston, Tex., has named Jim O'Sullivan senior vice president of Alternative Deepwater Busin ess Solutions. He will focus on Aker Maritime's new business for leasing floating production systems. Major and independent oil companies can use ...
06/13/2000	2,982,400	$46.438	0.259%	Factiva	Business briefs Paragon founder buys into Halliburton Ken Arnold, the president and founder 20 years ago of Paragon Engineering Services, Monday announced his purchase of Halliburton's 40 percent share . The purchase boosts Arnold's ownership of the of the ...
06/14/2000	1,868,800	$47.688	(1.548%)	Factiva	WORLD PETROLEUM CONGRESS TODAY'S WPC AGENDA 6:45 a.m.: Stampede breakfast in honour of the 10-day Calgary Stampede wh ich opens July 7. 8:00 a.m.: Speech by Dick Cheney, CEO, Halliburton Co. 10:30 a.m.: Forums on controlling refinery emissions and improving energy ...
06/14/2000	1,868,800	$47.688	(1.548%)	Factiva	Ex-Defense Sec'y Cheney urges end to Iran sanctions. CALGARY, June 14 (Reuters) - Former U.S. Defence Secretary Dick Cheney called for an end to investment sanctions against Iran on Wednesday, saying American energy companies should be a llowed to operate there along with those from the rest ...
06/15/2000	2,486,200	$46.500	(2.490%)	Factiva	U.S. urged to let oil firms back into Iran Time to mend fences:ex-defence secretary Calgary -- The United States should let oil companies develop major energy projects in Iran, former U.S. defence secretary Dick Cheney said yesterday. ...
06/15/2000	2,486,200	$46.500	(2.490%)	Factiva	Paragon Buys Back Stake. Paragon Engineering Services has bought back Halliburton's 40% share in the Houston-based en gineering, procurement, and construction management firm for less than $10 million as a firs t step to looking for another joint partner. ...
06/16/2000	2,485,700	$48.938	5.242%	Factiva	CHENEY BACKS IRAN INVESTMENT Former US Defence Secretary and Halliburton chief executive Dick Cheney has called on Washin gton to drop its economic sanctions against Iran and allow US oil companies to invest there. ...
06/16/2000	2,485,700	$48.938	5.242%	Factiva	Paragon breaks a Halliburton bond. Company boss buys out stake to allow room for manoeuvre PARAGON Engineering boss Ken Arnold has purchased Halliburton's 40% stake in his Houston-based oilfield engineering outfit for a n undisclosed sum. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/16/2000	2,485,700	$48.938	5.242%	Factiva	Oil conference called success Calgary -- "This has exceeded our expectations in every respect," said WPC chairman Jim Grey . "There's thousands and thousands of relationships and meetings as a result of pulling in t hese 97 countries."
06/16/2000	2,485,700	$48.938	5.242%	Factiva	HALLIBURTON'S Wellstream subsidiary has been awarded two tubularsupply jobs for different HALLIBURTON'S Wellstream subsidiary has been awarded two tubular supply jobs for different d eep-water development projects in the US Gulf. The company will supply Mariner Energy with f lexible risers and insulated flowlines for its Black ...
06/19/2000	1,916,800	$48.000	(1.916%)	Factiva	Drillstem test during tropical storm Francis saves operator $720,000. Gulf of Mexico - In the middle of hurricane season, the operator faced the challenge of plan ning and implementing a drillstem test on a discovery well. Data indicated that the subsalt discovery had initial reserves of 140 million bbl. An ...
06/19/2000	1,916,800	$48.000	(1.916%)	Factiva	[Sigma.sup.SM] process using MRIL(r) technology identifies missed zone, adds production wo Mexico - In the Cuitlahuac field in Reynosa, PEMEX drilled a strategic well to prove the exi stence of new gas reserves, so drilling could be extended to include the west part of the fi eld. In order to establish new gas reserves, Halliburton ...
06/19/2000	1,916,800	$48.000	(1.916%)	Factiva	Aristos are at it again MUCH ADO ABOUT NOTHING ** Open Air Theatre, Regent's Park Rachel Halliburton THE electric wo rdplay in Rachel Kavanaugh's post-war Much Ado About Nothing takes place between an older an d sexier Beatrice and Benedick than usual.
06/19/2000	1,916,800	$48.000	(1.916%)	PR News	Ten Square(TM) and Dresser Wayne to Deliver Digital Content to Interactive Gas Pumps
06/20/2000	2,519,600	$47.688	(0.651%)	Factiva	USA MUST PUT AN END TO ECONOMIC SANCTIONS TOWARDS IRAN, EXECUTIVE DIRECTOR OF HALLIBURTON USA MUST PUT AN END TO ECONOMIC SANCTIONS TOWARDS IRAN, EXECUTIVE DIRECTOR OF HALLIBURTON OI L COMPANY SAID. United States have to stop economic sanctions towards Iran, US Ex-Minister o f Defence, present executive director of Halliburton oil ...
06/21/2000	3,680,800	$49.750	4.325%		
06/22/2000	2,867,100	$47.563	(4.397%)	Factiva	Questar Baseline Announces Sales, Marketing Agreements LYONS, Colo., June 22 /PRNewswire/ -- Questar Baseline, which makes, sells, installs and ser vices a complete line of advanced gas-monitoring instruments, has announced two recent sales and another agreement that will allow the company to ...
06/23/2000	1,719,000	$47.563	0.000%	Factiva	Gogol's absurdist vision THE OVERCOAT N The Pit, Barbican Rachel Halliburton IN 1842 Gogol had an insane vision of a charisma-free bureaucrat who discovered that a new overcoat more than made up for his lack o f personality.
06/26/2000	2,061,600	$47.063	(1.051%)	Factiva	Frac treatment earns operator $13M worth of incremental oil production. Colombia -- After producing over 6,000 BOPD for more than 1 1/2 years, BP Amoco encountered a production drop to less than 2,000 BOPD in one of their wells. More challenging was an eve

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rage well deviation of 27 and an unfavorable azimuth for ...
06/26/2000	2,061,600	$47.063	(1.051%)	Factiva	[H2Zero.sup.TM] treatment results in gas-free well producing 1900 BOPD, valued at $1.6M. Norway -- Shortly after initial production, a well operated by Statoil was shut in. When lifting the well, a GOR of 700 indicated contribution of free gas in the top of the gravel packed open hole section, restricting the production level. ...
06/27/2000	2,896,700	$47.688	1.328%	Factiva	CHENEY BACKS IRAN INVESTMENT Former US Defence Secretary and Halliburton chief executive Dick Cheney has called on Washington to drop its economic sanctions against Iran and allow US oil companies to invest there. ...
06/28/2000	2,537,600	$46.188	(3.145%)	Factiva	The Washington Daybook - General News Events - Futures 8:30 a.m. Trade - Forum SPONSOR: World Trade Forum TOPIC/SUBJECT: holds a program on "The New WTO Round: Agenda for the Service Industries." (No new date announced.) PARTICIPANTS: Donald DeLine, director of government affairs, Halliburton ...
06/28/2000	2,537,600	$46.188	(3.145%)	Factiva	The Washington Daybook - General News Events 8:30 a.m. Trade - Forum SPONSOR: World Trade Forum TOPIC/SUBJECT: holds a program on "The New WTO Round: Agenda for the Service Industries." (No new date announced.) PARTICIPANTS: Donald DeLine, director of government affairs, Halliburton ...
06/28/2000	2,537,600	$46.188	(3.145%)	Factiva	Halliburton Completes Stim Star II. Halliburton Energy Services has completed construction of a new dynamically positioned stimulation vessel, Stim Star II. The vehicle is a twin to the Stim Star, deployed last year for work in the Gulf of Mexico's deepwater. Both vehicles ...
06/29/2000	2,767,400	$48.438	4.871%	Factiva	Kazakstan - KKB Expansion Hit By Texan Lawsuit. Blending youthful dynamism with political clout, Kazkommertzbank (KKB) has grown from humble origins in 1991 to become the largest investment group in Central Asia. The privately owned bank has established itself as a major player in the ...
06/29/2000	2,767,400	$48.438	4.871%	Factiva	Aluminium in deep water. A new and exciting area of application for aluminium is taking shape. Over the course of summer 2000, linked aluminium profile cages will be sunk to the sea bed on the Gullfaks field in the North Sea to protect oil pipelines. The Cluster ...
06/29/2000	2,767,400	$48.438	4.871%	Factiva	Aluminium in deep water. A new and exciting area of application for aluminium is taking shape. Over the course of summer 2000, linked aluminium profile cages will be sunk to the sea bed on the Gullfaks field in the North Sea to protect oil pipelines. The Cluster ...
06/30/2000	2,488,900	$47.188	(2.581%)	Factiva	Investment Group's Expansion Into Kazak Oil Sector Disrupted byTexan Lawsuit Blending youthful dynamism with political clout, Kazkommertzbank (KKB) has grown from humble origins in 1991 to become the largest investment group in Central Asia. The privately owned bank has established itself as a major player in the ...

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07/01/2000	.	.	.	Factiva	Paragon Engineering Services.(Brief Article) Ken Arnold, President of Paragon Engineering Services, has purchased Halliburton's 40% share in Paragon, bringing his ownership to 80%. DresserRand owns the remaining 40%.
07/01/2000	.	.	.	Factiva	Company News, Mergers & Acquisitions. NetworkOil Inc., a global Internet marketplace for petroleum equipment and services, now has a Canadian e-marketplace. More than 50 companies have signed on to conduct request for bid t ransactions for wellheads, casing, tubing, linepipe and ...
07/01/2000	.	.	.	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 230600 3. Report Type M 4. Company Name Hallib urton Denmark A/S 5. Address Storstrommevej 6 6. Postal Code 6715 ...
07/01/2000	.	.	.	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type M 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
07/01/2000	.	.	.	Factiva	Ken Arnold, President of Paragon Engineering Services, has acquired Halliburton's 40% stak Ken Arnold, President of Paragon Engineering Services, has acquired Halliburton's 40% stake in Paragon, bringing his ownership to 80%. Dresser-Rand owns the remaining 40% of the compan y which provides front-end engineering, detailed design ...
07/01/2000	.	.	.	Factiva	Innovative subsea pig launcher wins award. Brown & Root Energy Services (BRES), a division of Halliburton, and GD Engineering were rece ntly presented the 2000 Award for the Most Significant Contribution to Subsea Pipeline Techn ology by the Pipeline Industries Guild. The award was ...
07/01/2000	.	.	.	Factiva	Kellogg Brown and Root team completes phenol plant.(Brief Article)(Statistical Data Includ Kellogg Brown & Root (KBR), a business unit of Halliburton Co., with its joint-venture partn er PPI/Lurgi, has reached mechanical completion on a new world-class phenol and acetone manu facturing facility in Theodore, Alabama. The lump-sum ...
07/01/2000	.	.	.	Factiva	Black Widow to be tied back to Morpeth.(Brief Article) Wellstream, a division of Halliburton's Brown & Root Energy Services, won contracts from Mar iner Energy and Kerr-McGee for flexible risers and flowlines for subsea tie-back projects in the Gulf of Mexico. The contract from Mariner is ...
07/03/2000	481,800	846.938	(0.530%)	Factiva	Hollywood pulp friction SPEED-THE-PLOW H Duke of York's Rachel Halliburton IN Speed-the-Plow . two Hollywood executi ves sit spinning laughable scripts into enough gold to support their power addiction and lun ch accounts.
07/05/2000	2,991,700	844.363	(5.069%)	Factiva	STIM STAR STARTS SERVICE Halliburton has unveiled its latest DP stimulation vessel, Stim Star II, a replica of the mv Stim Star, which was deployed last year for work in the Gulf of Mexico's deepwater. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/05/2000	2,991,700	$44.563	(5.060%)	Factiva	Halliburton, Petrobras sign $2.5 bln offshore deal. DALLAS, July 5 (Reuters) - Halliburton Co. and Brazil's Petrobras said on Wednesday that Hal liburton will develop the Barracuda and Caratina oil fields offshore Brazil under contracts valued more than $2.5 billion. ...
07/05/2000	2,991,700	$44.563	(5.060%)	Factiva	Halliburton In $2.5 Billion Brazilian Oil Field Devt Pact NEW YORK -(Dow Jones)- Halliburton Co. (HAL) received contracts worth more than $2.5 billion from Brazil's Petrobras to develop the Barracuda and Caratinga offshore oil fields in Brazi l. ...
07/05/2000	2,991,700	$44.563	(5.060%)	PR News	Halliburton Company Signed $2.5 Billion Contract for Development of Barracuda and Caratinga Oil Fields Offshore Brazil
07/06/2000	2,741,600	$44.438	(0.281%)	Factiva	BIG BRAZIL PROJECTS' GREEN LIGHT Halliburton has signed a final deal with Petrobras to go ahead with the huge Barracuda and C aratinga deepwater developments offshore Brazil as part of a package of offshore-related dea ls worth US $4.5 bn. ...
07/06/2000	2,741,600	$44.438	(0.281%)	Factiva	Shortlist of Tube bidders. FOUR consortiums were shortlisted to take over parts of London Underground yesterday. Linc e nd Metronet have been shortlisted for the Bakerloo, Central and Victoria lines, while TubeLi nes and TubeNell will compete for the Jubilee, Northern ...
07/06/2000	2,741,600	$44.438	(0.281%)	Factiva	Halliburton, Petrobras Set $2.5 Billion in Contracts. Halliburton and Brazil's Petrobras said Wednesday that Halliburton will develop the Barracud a and Caratinga oil fields offshore Brazil under contracts valued more than $2.5 billion (DO Jan.26,p5). ...
07/06/2000	2,741,600	$44.438	(0.281%)	Factiva	HALLIBURTON WINS BRAZILIAN CONTRACTS US oil service major Halliburton and Brazil's state Petrobras said July 5 they have signed c ontracts valued at more than $2.5-bil for development of the Barracuda and Caratinga oil fie lds offshore Brazil. ...
07/07/2000	2,484,000	$43.688	(1.688%)	Factiva	PennWell conference set for September HOUSTON (JR) -- Several of the energy industry's leading e- commerce analysts will appear at PennWell's Energy Economy 2000, Sept. 12-14 at the J.W. Marriott in Houston. ...
07/10/2000	4,095,200	$42.000	(3.862%)	Factiva	What's happening in drilling...New drilling/intervention concept From: World Oil -- Halliburton Energy Services completed initial trials of its Anaconda Adva nced Well Construction System, a digitally controlled system which uses a downhole Advanced Drilling, Evaluation and Propulsion Too. assembly and a ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/10/2000	4,095,200	$42.000	(3.863%)	Factiva	Frac-pack records set in gulf. Two frac-pack jobs set new treatment size records in the Gulf of Mexico according to Halliburton Energy Services Inc. The jobs, pumped from a dynamically positioned stimulation vessel (DPSV), included an advanced frac-pack system (AFS) that ...
07/10/2000	4,095,200	$42.000	(3.863%)	Factiva	COUNTRIES - What's New Around The World. BRAZIL - Lending both financial impetus and credibility to Brazil's deepwater work in the Campos Basin, state Petrobras has signed Japanese-financed deals worth some $3.6 billion for upstream contracts, including $2.5 billion for ...
07/10/2000	4,095,200	$42.000	(3.863%)	Factiva	ROSNEFT SAKHALINMORNEFTEGAZ Begins Drilling Another Extremely Deep Well. On July 6, ROSNEFT SAKHALINMORNEFTEGAZ began drilling another super-deep inclined directional well on the Odoptu-Morye deposit situated off the Sakhalin Island coast. ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	RESEARCH ALERT-DLJ raises Halliburton. NEW YORK, July 11 (Reuters) - Donaldson Lufkin & Jenrette said on Thursday that the oilfield services sector holds "significant upside" and raised its investment rating on Halliburton Co. on Tuesday to a buy from market performer. ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	US oilfield stocks soar on BP Amoco spending hike. HOUSTON, July 11 (Reuters) - Oilfield service stocks posted big gains on Tuesday in response to news that oil and gas supermajor BP Amoco Plc plans to hike exploration and production spending over the next few years. ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	NYSE Most Actives At 12:00 P.M. AT&T 8,363,500 31 7/8 Dn 1 1/8 Compaq Compute 8,078,300 26 1/8 Up 1/8 Motorola Inc 6,959,400 33 5/16 Up 7/8 Pfizer Inc 6,631,200 48 5/8 Up 13/16 Honeywell Inte 5,633,500 35 1/2 Up 1/2 ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	NYSE Most Actives At 1:00 P.M. Compaq Compute 10,096,500 25 11/16 Dn 5/16 AT&T 10,039,700 32 1/8 Dn 7/8 Motorola Inc 9,440,700 33 3/8 Up 15/16 General Elec 7,755,400 53 3/8 Up 15/16 Pfizer Inc 7,349,500 48 3/4 Up 15/16 ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	Oil-Services Stocks Rise After BP Amoco Unveils Increased Capital Spending NEW YORK -(Dow Jones)- Oil-services stocks got a big boost Tuesday after BP Amoco PLC said it would raise spending on exploration-and-production projects. ...
07/11/2000	5,876,700	$46.750	11.310%	Factiva	Oil Services Sector Analysis JAN HOPKINS, CNNfn ANCHOR, STREET SWEEP: One sector on the move today is oil services. Positive comments from Goldman Sachs and Donaldson Lufkin Jenrette helping. Let's look at some of the stocks in that sector and what they did today. ...
07/12/2000	3,642,800	$45.938	(1.738%)		

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/13/2000	2,495,300	$45.313	(1.361%)		
07/14/2000	2,312,200	$44.813	(1.103%)		
07/17/2000	2,680,700	$42.875	(4.324%)	Factiva	Petrobras. In development action Petrobras and Halliburton signed more than $2.5 billion in contracts under which the firms will jointly develop Barracuda and Caratinga oil fields in the Campos basin off Brazil. Petrobras will act as operator of the ...
07/17/2000	2,680,700	$42.875	(4.324%)	Factiva	Petrobas to develop new oil fields. Petrobras and Halliburton have signed contracts valued at over $2.5 bn under which the companies will develop Barracuda and Caratinga oil fields in the Campos basin of Brazil. Petrobras will act as operator of the deepwater fields, but ...
07/17/2000	2,680,700	$42.875	(4.324%)	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 1,140,500 Newscorp Overs pr8 17 1/8 up 3/4 1,315,700 Williams Comm 31 7/8 up 5/8 4,629,200 Gen Mills 35 dn 1 5/16 226,000 Cdn Imp Bk Cmce 27 1/16 dn 5/16 499,600 Charles River Labs 23 11/16 dn 9 ...
07/18/2000	2,921,600	$44.875	4.665%	Factiva	Halliburton Subsea completes Petronius ROV Tie-Back support withTexaco From: Press Release -- July 17, 2000 DALLAS, TX-As a division of Brown & Root Energy Services, Halliburton Subsea, has completed a contract with Texaco for remotely operated vehicle (ROV) services in support of the Petronius Tie-Back ...
07/18/2000	2,921,600	$44.875	4.665%	Factiva	OBSERVER - Make mine a generic AVENUE OF THE AMERICAS. Any executive thinking of hiring one of those overpaid corporate identity consultants to dream up a hot new-economy name for their company should pause to consider a piece of new research by Doremus, a corporate advertising agency owned by ...
07/19/2000	1,671,500	$44.938	0.139%	Factiva	BRAZIL PROJECTS RECEIVE GREEN LIGHT After a long, arduous negotiation, Halliburton has inked a final deal with Petrobras to develop the huge Barracuda and Caratinga deepwater fields offshore Brazil, with work set to begin this month. ...
07/20/2000	2,014,400	$45.125	0.417%	Factiva	Petredat withdraws complaints of patent infringement against Halliburton andSpartek From: Press Release -- July 20, 2000 HOUSTON-Halliburton Company, Spartek Systems, and Petroleum Reservoir Data, Inc. (Petredat) announced that they have settled a patent infringement suit brought by Petredat concerning downhole well data ...
07/20/2000	2,014,400	45.125	0.417%	PR News	Halliburton 2000 Third Quarter Dividend
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	The wish list - Luxury luggage - Style. (Photograph) - From bottom: Bric orange nylon weekbag, $22.50, at Liberty (020-7734 1234); Bric orange nylon holdall with black leather handle, $95, at Selfridges (020-7629 1234); check weekend bag with brown leather trim, $250, at Mulberry ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	Heavyweights hold key. BY FAR the largest segment of the oilfield services industry consists of a broad-based group of services and products whose collective market value is estimated at more than $25 billio n. They range from drillbits and drilling fluids ...
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	Halliburton President. Age: 45 Family: Married with two children Education: BS, MBA, University of Wisconsin, 1975 Work Experience: Up to 1993 - Arthur Andersen, Dallas 1993-1995 - Executive vice president, finance and administration, Halliburton Energy Services ...
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	Makeover maestro. HALLIBURTON HALLIBURTON president and chief operating officer David Lesar counts the time he spent in management at mainline accounting and financial firm Arthur Andersen as good backg round for his efforts to reorganise and streamline the ...
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	Dividend Declarations: FBPT, FLM, FEVB, GLC, HAL, HIG, HELK, HF, IDA, KEY, KSTN, LNCE, MFBC Company Period Amount Payable Record Regular FirstSpartan Finl Q .25 8/15/00 8/ 1 Fleming Co # Q .02 9/11/00 8/18 Franklin Bank NA Q .07 8/14/00 7/31 ...
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	It's time for Thea: As a young female theatre director scoops acoveted award, RACHEL HALLI IMAGINE asking members of the public to name 10 famous women directors as a party game. Inev itably names like Deborah Warner, Jude Kelly, and more recently Katie Mitchell will float to the surface, but for most people the challenge is ...
07/21/2000	6,383,100	$42.250	(6.371%)	Factiva	A Look At Dick Cheney, Potential Veep Candidate NAME - Richard Bruce Cheney. JOB - Chief executive officer of Halliburton Co. in Dallas. AGE - 59. Born Jan. 30, 1941. EDUCATION - Attended Yale University, 1959. Bachelor's degree, po litical science, University of Wyoming, 1965; master's ...
07/22/2000	.	.	.	Factiva	Patent lawsuit settled Halliburton Co., Spartek Systems and Petroleum Reservoir Data Inc., announced Friday that th ey have settled a patent infringement suit brought by Petredat. ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	Halliburton's Wellstream awarded API monogram license From: Press Release -- July 24, 2000 DALLAS, TX-Wellstream, a division of Brown & Root Energ y Services, has become the first unbonded flexible pipe manufacturer to be awarded the covet ed American Petroleum Institute API 17J monogram license ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	CHENEY TAKES LEAD IN RUNNING MATE RACE As George W. Bush privately pondered his choice for vice presidential running mate, there we re new signals Sunday that former defense secretary Richard B. Cheney might be the top conte nder to join the Republican ticket. ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	Success despite downturn. Despite a major downturn in the oil industry at the time of its conception, fledgling compan y PathFinder Energy Services Ltd has experienced major success. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	Cheney reported to expect VP nod Bush may announce his choice tomorrow AUSTIN, Texas -- former Defense Secretary Dick Cheney, who has emerged as George W. Bush's a pparent top vice presidential candidate, has told associates it is likely he will get the jo b, officials said yesterday as the Republican governor ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	ALL SIGNS POINT TO CHENEY AS BUSH WEIGHS VP PICK As George W. Bush privately pondered his choice for vice presidential running mate, there we re new signals Sunday that former Defense secretary Dick Cheney might be the top contender t o join the Republican ticket. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	NEW SIGNS POINT TO BUSH-CHENEY HEART SPECIALIST GIVES CLEARANCE As George W. Bush privately pondered his choice for vice presidential running mate, there we re new signals yesterday that former Defense Secretary Dick Cheney might be the top contende r to join the Republican ticket. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	Cheney Taking Steps on Candidacy; Business Colleagues Told of Likelihood Of Offer from Bus AUSTIN, July 23 -- As George W. Bush privately pondered his choice for vice presidential run ning mate, there were new signals today that former defense secretary Richard B. Cheney may be the top contender to join the Republican ticket. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	Signs point to Cheney as Bush's VP Running mate pick could be tomorrow AUSTIN, Texas -- As George W. Bush privately pondered his choice for vice presidential runni ng mate, there were new signals yesterday that former Defense Secretary Dick Cheney might be the top contender to join the Republican ticket. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	Halliburton Settles Dispute. Halliburton, Spartek Systems, and Petroleum Reservoir Data (Petredat) announced that they ha ve settled a patent infringement suit brought by Petredat concerning downhole well data reco rders. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	UPDATE 1-Cheney would give up millions taking VP spot. WASHINGTON, July 24 (Reuters) - Dick Cheney would give up millions if he stepped down as hea d of the world's largest oil field service company to become Republican presidential candida te George W. Bush's vice presidential running mate. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	Cheney would give up millions to take veep spot. WASHINGTON, July 24 (Reuters) - Richard Cheney would give up millions if he stepped down as head of the world's largest oil field service company to become Republican presidential cand idate George W. Bush's vice presidential running mate. ...
07/24/2000	2,631,600	$41.688	(1.3318)	Factiva	UPDATE 1-Cheney would give up millions to take VP spot. WASHINGTON, July 24 (Reuters) - Dick Cheney would give up millions if he stepped down as hea d of the world's largest oil field service company to become Republican presidential candida te George W. Bush's vice presidential running mate. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	Halliburton Would Be Largely Unaffected By Cheney Exit AUSTIN, Texas -(Dow Jones)- Halliburton Co. (HAL) probably won't experience significant disr uption in business operations if Chief Executive Dick Cheney leaves to become the running ma te of GOP presidential contender George W. Bush. ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	Bush Decides To Offer Halliburton Chief Cheney Vice PresidentialSpot NEW YORK -(Dow Jones)- Oil-services concern Halliburton Co. next year may have to search for a new chief executive now that George W. Bush has decided to offer current CEO Richard B. C heney the slot as his running mate on the Republican ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	About This Section The Austin American-Statesman has had its own team in France covering Lance Armstrong's seco nd straight triumph in the Tour de France: sportswriter Suzanne Halliburton and staff photog rapher Taylor Johnson. Halliburton, who has been with ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	Gimme five..vanity cases: They are secure, stylish and sturdy toboot. Today's beauty cases ZERO Halliburton is the brand of choice for Nasa which, believe it or not, uses its cases to bring rocks back from the moon; even Tom Cruise brandishes the attache cases in Mission Imp ossible. This beauty case is the coolest on the block. ...
07/24/2000	2,631,600	$41.688	(1.331%)	Factiva	More hints that Cheney will be Bush's VP choice Business associate reportedly was told it AUSTIN, Texas - As George W. Bush privately pondered his choice for vice presidential runnin g mate, there were additional signals yesterday that former Defense Secretary Dick Cheney mi ght be the top contender to join the Republican ticket.
07/24/2000	2,631,600	$41.688	(1.331%)	Jefferies & Compan	Halliburton Company: Halliburton Chairman/CEO Dick Cheney a Leading Contender for Bush VP
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Lesar to succeed Cheney as Halliburton chairman and CEO from: Press Release -- July 25, 2000 DALLAS, Texas - Halliburton Company's (NYSE:HAL) chairm an of the board and chief executive officer, Dick Cheney, announced today that he has accept ed the invitation of George W. Bush to be Bush's ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Democratic chair reacts to Cheney pick PORTLAND, Ore. (AP) - George W. Bush's selection of Dick Cheney as a running mate will hurt GOP chances in pro-environment states like Oregon, Democratic National Committee Chairman Jo e Andrew predicted Tuesday. ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Halliburton donations favor Republicans WASHINGTON (AP) - With Dick Cheney at its helm, Halliburton Co. and its employees have been generous supporters of the Republican Party, donation records show. ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Oil Giant Mostly Favors Republicans WASHINGTON (AP) - With Dick Cheney at its helm, Halliburton Co. and its employees have been generous supporters of the Republican Party, donation records show. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/25/2000	3,464,700	$42.250	1.349%	Factiva	CHENEY FOR US VP? Halliburton is expected to come under close scrutiny in the coming months if CEO Dick Cheney becomes the running mate for Republican Presidential hopeful George W Bush Jnr. ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Interview: Investment banker Matt Simmons, president of Simmons& Company, discusses Dick C ROBERT SIEGEL, host: After he left Washington, Dick Cheney became chairman and CEO of the Da lles-based Halliburton Corporation. That was in 1995. Halliburton is an engineering and cons truction company that works with the oil industry. Matt ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	As Head of Oil Firm, Cheney Has Stock Worth $41.1 Million Dick Cheney has amassed $41.1 million in stock in the Halliburton Co. of Dallas, his corpora te employer. Cheney has served as an executive of Halliburton, the world's largest oil and g as services company, since 1995 and is currently ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Politics.com Rep. Analyzes the Presidential Hopefuls JAN HOPKINS, CNNfn ANCHOR, STREET SWEEP: As we told you a few minutes ago, the Republican ti cket for the White House is now Bush-Cheney. Dick Cheney, the former Defense Secretary and C ongressman, now CEO of oil services company ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Cheney Candidacy Seen as Asset for Industry. Suddenly, all eyes are on another son of the oil patch - Richard Cheney, chairman and chief executive of Halliburton. Cheney's name is being bandied about as the front-runner, as Repub lican presidential candidate George W. Bush prepares to ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Lesar to succeed Cheney as Halliburton CEO. DALLAS, July 25 (Reuters) - Halliburton Co. , the world's biggest oilfield services company, said on Tuesday its board had elected the company's President and Chief Operating Officer D avid Lesar to succeed Dick Cheney as Halliburton's ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	UPDATE 2-Lesar succeeds Cheney as Halliburton CEO. HOUSTON, July 25 (Reuters) - In a swift, smooth transition, Halliburton Co. said Tuesday its Chief Operating Officer David Lesar will succeed Chairman and Chief Executive Officer Dick Cheney, who is resigning to be presumed Republican ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Halliburton Names David Lesar Chairman, CEO DALLAS -(Dow Jones)- Halliburton Co. (HAL) Chairman and Chief Executive Dick Cheney resigned effective Aug. 16 to accept George W. Bush's invitation to be his Republican party vice pre sidential running mate. ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Cheney emerges as Bush's VP favorite / Longtime insider back inspotlight In 1989, Richard Bruce "Dick" Cheney had no military experience. He got the job of secretary of defense under President Bush anyway. In 1995, Cheney had only dabbled in business. He go t the job of chairman of the board of Halliburton Co., a ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Private sector has been enriching for Cheney He has made millions following two decades of public service WASHINGTON -- Dick Cheney, expe cted to become Texas Gov. George Bush's running mate, has spent a decade out of public life.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					amassing $61.1 million in stock in the Halliburton Co. ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Cheney cashes in block of stock for $5.1 million AUSTIN, Texas -- Dick Cheney last month sold 100,000 shares of stock in Halliburton, the oil services and construction conglomerate that he heads, for an estimated $5.1 million, according to documents he files with the government.
07/25/2000	3,464,700	$42.250	1.349%	Factiva	Pay cut likely for Cheney Political fortunes are not the only ones Dick Cheney would have to consider as he becomes George W. Bush's running mate. Cheney would be in line for a big cut in his personal fortune, possibly losing stock options valued at about $25 ...
07/25/2000	3,464,700	$42.250	1.349%	Factiva	SMARTMONEY.COM: Cheney Takes A Million-Dollar Pay Cut NEW YORK -(Dow Jones)- It must have been the call of public service - or George W. Bush's arm-twisting - that made Halliburton (HAL) Chief Executive Dick Cheney trade in the life of J. R. Ewing for a chance to be second banana to the son of ...
07/25/2000	3,464,700	$42.250	1.349%	PR Newswire	Lesar to Succeed Cheney as Halliburton Chairman and CEO
07/26/2000	3,068,100	$43.563	3.107%	CIBC World Markets	HAL: 2Q00 EPS in Line; North America Strong; International Improving
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Halliburton announces second quarter earnings of 17 cents per share Press Release -- July 26, 2000 DALLAS, Texas- Halliburton Company (NYSE:HAL) reported today that the company's 2000 second quarter net income was $75 million ($0.17 per share diluted) compared to $83 million ($0.19 per share diluted ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Will intelligent neural networks boost oil and gas production? Halliburton Energy and Biocomp Systems have patented self-optimising neural technology. The methodology is being used to optimise control of oil and gas reservoir developments. The system assesses relationships between all natural ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	AFL-CIO's Trumka and Texans bash Bush CLEVELAND (AP) - AFL-CIO Secretary-Treasurer Richard Trumka and a panel of four union members from Texas said Wednesday that unions need to work against what Trumka described as the "Bush-Cheney big oil ticket." ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	AFL-CIO's Trumka and Texans bash Bush CLEVELAND (AP) - AFL-CIO Secretary-Treasurer Richard Trumka and a panel of four union members from Texas said Wednesday that unions need to work against what Trumka described as the "Bush-Cheney big oil ticket." ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Global Marine President & CEO - Interview NEIL CAVUTO, HOST: In today's "Follow the Leader" segment, from the boardroom to the Beltway. If elected, historians say that Dick Cheney would become the first vice president to take office straight from a top job in corporate America. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/26/2000	3,068,100	$43.563	3.107%	Factiva	LESAR SUCCEEDS CHENEY AS HALLIBURTON CHAIRMAN David J Lesar will succeed Dick Cheney as chairman of the board at Halliburton, the company announced. Lesar, 47, currently an executive vice president and chief financial officer of H alliburton Energy Services, takes over after Cheney ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	FOR CHENEY, OIL BUSINESS OFFERED A NEW PERSPECTIVE Examination of private-sector experience of presumed Republican vice presidential nominee Di ck Cheney notes Cheney became chief executive of Halliburton Co in 1995 after three decades in Government and helped bring in domestic and foreign ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Halliburton, the world's biggest oilfield services company, looks certain to lose chief .. Halliburton, the world's biggest oilfield services company, looks certain to lose chief exec utive Dick Cheney after he reportedly accepted GE Republican presidential candidate George W Bush's offer to be his running mate. Mr Cheney, a ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	US OIL EXECUTIVE CHOSEN AS VICE-PRESIDENTIAL RUNNING MATE. HALLIBURTON'S CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER, DICK CHENEY, HAS BEEN SELEC TED BY GEORGE W. BUSH TO BE HIS REPUBLICAN PARTY VICE PRESIDENTIAL RUNNING MATE. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Halliburton Analysis JAN HOPKINS, CNNfn ANCHOR, STREET SWEEP: Oil service company Halliburton (URL: http://www.ha lliburton.com/) out with earnings today. The earnings were a penny better than the street e xpected. Ahead of that news, the stock gained more than ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	WITH CHENEY AT HELM, HALLIBURTON BANKROLLED GOP. WASHINGTON (July 26) - The private sector may have taken Dick Cheney out of politics, but it did not take the politics out of Dick Cheney. Since taking the helm at the world's largest oil services company, Cheney has been an active ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Bush's choice of Cheney is good for businesses. THE choice of Dick Cheney, a former defence secretary, as the running mate of Republican pre sidential nominee George W Bush should come as good news for the business community as well as for America's trade partners and military allies. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Lesar to Succeed Cheney. Halliburton's board of directors at a special meeting Tuesday elected President and Chief Op erating Officer David Lesar to succeed Dick Cheney as chairman and chief executive of the co mpany. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Bush picks Cheney as running mate. WASHINGTON: Ending weeks of sustained speculation, Republican presidential candidate George W Bush turned to one of his Dad's trusted aides Richard B Cheney as his vice presidential ru nning mate on the Republican ticket. Fifty nine year old ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Bush picks Cheney as running mate. WASHINGTON: Ending weeks of sustained speculation, Republican presidential candidate George W Bush turned to one of his Dad's trusted aides Richard B Cheney as his vice presidential ru

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					nning mate on the Republican ticket. Fifty nine year old ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Halliburton profit drops but beats estimates. HOUSTON, July 26 (Reuters) - Halliburton Co. , the world's biggest oilfield services company , said on Wednesday second-quarter earnings fell 9.6 percent but slightly exceeded market ex pectations and said oil and gas companies were raising ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	TABLE - Halliburton Q2 net shr $0.17 vs. $0.19. DALLAS, July 26 (Reuters) - HALLIBURTON COMPANY Consolidated Statements of Income (Unaudited) Quarter Ended Six Months Ended June 30 June 30 2000 1999 2000 1999 Millions of ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	UPDATE 1-Halliburton earnings fell as engineering lags. HOUSTON, July 26 (Reuters) - Halliburton Co. , the world's biggest oilfield services company , said on Wednesday second-quarter earnings fell almost 10 percent as a 13 percent increase in energy services revenues was offset by a 29 percent ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	CHENEY STEPS DOWN AS HALLIBURTON CEO Analysts see little impactfrom change in leadership Dick Cheney July 25 stepped down from the helm of Halliburton Co. one of the world's largest oil-services companies, to become the running mate of Republican US presidential hopeful Ge orge W. Bush. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	NOTHING BUT NET:MFL.com Plans Blitz Of Hall Of Fame Fate WSJ.com NEW YORK -(Dow Jones)- While scrolling the Web for news about Republican vice-presid ential candidate Dick Cheney, Roger Staubach - who served with Cheney on the board of Halliburton Co. (HAL) - marvels at the Internet's impact. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Halliburton 2nd Quarter Net 17 Cents/Share Vs 15 Cents Halliburton Co. - Dallas 2nd Quar June 30: 2000 1999 Revenue $2,868,000,000 $3,053,000,000 I nc cont op $2,000,000 $5,000,000 Inc dis op 23,000,000 28,000,000 Net income ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Cheney Gives Up Helm at Halliburton Washington-Former Defense Secretary Richard Cheney gave up the helm of a multibillion-dollar Fortune 500 company yesterday, as well as millions in stock options, to be Texas Gov. Georg e W. Bush's right- hand man in the race for the White ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	CAMPAIGN 2000 Cheney's Oil Firm Tenure Marked by Praise, Criticism DALLAS -- About two years ago, executives from petroleum industry giant Halliburton Co. were having trouble getting a face-to-face meeting with a top official in tiny, oil-rich Qatar. ...
07/26/2000	3,068,100	$43.563	3.107%	Factiva	Execs give Cheney good grades Halliburton's shareholders might disagree Dick Cheney had already broken Rule No. 1. Politicians don't land jobs as chief executives o f Fortune 500 corporations. In becoming George W. Bush's running mate Tuesday, he breaks Rul e No. 2: Corporate CEOs don't run on the tickets of ...

Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: Factset Research Systems, Inc., Factiva, and Reuters Research on Demand
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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/26/2000	3,068,100	843.563	3.107%	Factiva	BUSH-CHENEY / A do-no-harm choice for GOP running mate Richard Cheney is a do-no-harm choice as a vice-presidential candidate on the Republican tic ket with Texas Gov. George W. Bush. While he may be eclipsed as a running mate by others who m Bush could have chosen, as a governing mate he brings ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Alvin Boy Scouts earn grant from Halliburton Boy Scouts of America Troop No. 493 of Alvin is among the recipients of grants to soon be di stributed by Halliburton Company. The Scout troop is one of 71 non-profit organizations nati onwide with which Halliburton employees are actively ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Halliburton funds grants for groups Halliburton Company recently announced it will provide grants to St. Vincent's House and the Texas Seaport Museum of Galveston, and to Mustang Band Booster Club of Friendswood. These g roups earned three of the grants that Halliburton will ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Bush's VP choice / Halliburton fared well with Cheney at helm /Firm had been adrift when h When Dick Cheney took over as chief executive of the Halliburton Co. in 1995, the Dallas-bas ed oil-field services company was adrift. And Wall Street had doubts about whether the forme r defense secretary was the right man to steer the ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Cheney augments Bush's campaign GOP presidential hopeful George W. Bush's vice presidential choice of Dick Cheney, former Wy oming congressman and Secretary of Defense for George W.'s Dad, isn't a bad selection. But i t opens the door to some uncomfortable questions about ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Cheney addresses analysts, Halliburton shareholders one last time DALLAS (AP) - Dick Cheney, who resigned as chairman and chief executive officer of Halliburt on Co. to join George W. Bush on the GOP presidential ticket, told shareholders and analysts Wednesday that his decision to leave the oil services ...
07/26/2000	3,068,100	843.563	3.107%	Factiva	Cheney addresses analysts, Halliburton shareholders one last time DALLAS (AP) - Dick Cheney, who resigned as chairman and chief executive officer of Halliburt on Co. to join George W. Bush on the Republican presidential ticket, told shareholders and a nalysts that his decision to leave the oil services ...
07/26/2000	3,068,100	843.563	3.107%	PR News	Halliburton Announces Second Quarter Earnings of 17 Cents Per Share
07/27/2000	5,171,000	845.375	4.161%	A.G. Edwards & Son	Halliburton Company - North American Pickup Drives Earnings Surprise - International Markets Poised for Strong Gains
07/27/2000	5,171,000	845.375	4.161%	Deutsche Bank Rese	Upgrading Rating to Buy from Market Perform, 2000/2001 Estimates Raised
07/27/2000	5,171,000	845.375	4.161%	Deutsche Bank Rese	Upgraded to BUY from Market Perform; 2000/01 Estimates Raised

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/27/2000	5,171,000	845.375	4.1619	Factiva	Oil-related GOP ticket spurs debate HOUSTON (AP) - One grew up in the oilfields made famous by the movie "Giant," returning afte r college to start his own firm. The other took over a major oilfield services company after a long Washington career. ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	Oil-related Republican Party ticket spurs debate HOUSTON (AP) - One grew up in the oilfields made famous by the movie "Giant," returning afte r college to start his own firm. The other took over a major oilfield services company after a long Washington career. ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	Oil-related GOP ticket spurs debate HOUSTON (AP) - One grew up in the oilfields made famous by the movie "Giant," returning afte r college to start his own firm. The other took over a major oilfield services company after a long Washington career. ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	Oil-related republican ticket spurs debate HOUSTON (AP) - One grew up in famous oilfields and returned after college to start his own f irm. The other took over a major oilfield services company after a long Washington career. . ..
07/27/2000	5,171,000	845.375	4.1619	Factiva	Oil-related GOP ticket spurs debate HOUSTON (AP) - One grew up in the oilfields made famous by the movie "Giant," returning afte r college to start his own firm. The other took over a major oilfield services company after a long Washington career. ...
07/27/2000	5,171,500	845.375	4.1619	Factiva	Over the Years, Cheney Opposed U.S. Sanctions WASHINGTON, July 26 -- During his early years as a White House official and member of the Ho use, Dick Cheney, the expected Republican vice presidential candidate, consistently opposed unilateral American sanctions against nations including ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	RESEARCH ALERT - DB Alex raises Halliburton to buy. NEW YORK, July 27 (Reuters) - Deutsche Banc Alex. Brown on Thursday said it raised its ratin g on Halliburton Co. , the world's biggest oilfield services company, to buy from market per form, a day after the company posted second quarter ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	DESPITE PRODUCTION LAGS, 2Q PROFITS CONTINUE TO HIT RECORDS Kerr-McGee, Ocean Energy see hi Big US upstream independent Kerr-McGee turned in sharply higher second quarter earnings July 26 of $217-mil or $2.13/share, well ahead of analyst estimates of about $1.80/share, despit e slightly lower oil and gas production. ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	Halliburton's income drops 10 percent during quarter Halliburton Co., the world's biggest oilfield services company, said Wednesday that its seco nd-quarter earnings fell almost 10 percent as a 13 percent increase in energy services reven ues was offset by a 29 percent decline in engineering ...
07/27/2000	5,171,000	845.375	4.1619	Factiva	Bush-Cheney Big Oil ticket, Democrats say One grew up in the oilfields made famous by the movie "Giant," returning after college to st art his own firm. The other took over a major oilfield services company after a long Washing

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ton career.
07/27/2000	5,171,000	$45.375	4.161%	Jefferies & Compan	Halliburton Company: HAL Announces Favorable Second Quarter EPS Of $0.27
07/27/2000	5,171,000	$45.375	4.161%	ABC Capital Market	Halliburton Co. (NYSE - HAL - $43.56) Raising Estimates
07/27/2000	5,171,000	$45.375	4.161%	SunTrust Robinson	HAL - June Q Above Expectations, Driven by Strength in Energy Services
07/28/2000	2,194,900	$45.438	0.138%	Factiva	SURROGATES ATTACK AS GORE, BUSH KEEP MUM As Vice President Al Gore went into seclusion yesterday to vacation with his family and mull a "small list" of prospective running mates, his aides and political allies blanketed the M idwest with dire warnings about electing the "first all ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	Cheney Makes Up Oily Dream Team. Most people accept job offers on the basis of a salary raise. Not so for Halliburton boss an d former US defense secretary Dick Cheney, who has just signed on as running mate to Republi can presidential hopeful George W. Bush. Originally ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	People and Promotions. Royal Dutch/Shell chairman Mark Moody-Stuart has been appointed co-chairman of the renewable energy taskforce to be set up under the auspices of the G8 group of industrialized countrie s. Co-chair will be Corrado Clini, director general of ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	Eyes wide shut. What do Dick Cheney, Slobodan Milosevic and the British company Premier Oil have in common? Answer: they all firmly believe in doing business with Burma, home to perhaps the world's mo st oppressive regime. For Mr Cheney, who was picked this ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	Gore, Bush Camps Swap Broadsides: Foes Attack GOP Team As Ticketof Big Oil WILMINGTON, N.C., July 27 -- As Vice President Gore went into seclusion today to vacation wi th his family and mull a "small list" of prospective running mates, his aides and political allies were blanketing the Midwest with dire warnings ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	WITH CHENEY AT HELM, HALLIBURTON BANKROLLED GOP. WASHINGTON (July 28) - The private sector may have taken Dick Cheney out of politics, but it did not take the politics out of Dick Cheney. Since taking the helm at the world's largest oil services company, Cheney has been an active ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	WITH CHENEY AT HELM, HALLIBURTON BANKROLLED GOP. The private sector may have taken Dick Cheney out of politics, but it did not take the politi cs out of Dick Cheney. Since taking the helm at the world's largest oil services company, C heney has been an active financial patron of Republican ...
07/28/2000	2,194,900	$45.438	0.138%	Factiva	Oil-related Republican ticket spurs debate. HOUSTON. One grew up in famous oilfields and returned after college to start his own firm. T he other took over a major oilfield services company after a long Washington career. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/28/2000	2,194,900	845.438	0.138%	Factiva	Cheney teams up with Bush. Halliburton boss throws hat into US election ring as Republican candidate for Vice President REPUBLICAN candidate George W Bush has signed on Halliburton chief executive Dick Cheney as his Vice Presidential running mate. ...
07/28/2000	2,194,900	845.438	0.138%	Factiva	Lever builds up pressure in Asia. SHELL'S Big Lever Club initiative in the Asia Pacific has claimed its first scalp in Brunei. It is understood that earlier this week Halliburton subsidiary Sperry-Sun was told by the Anglo-Dutch major that its services were no longer ...
07/28/2000	2,194,900	845.438	0.138%	Factiva	Corks go pop for Philippines trio. SHELL Philippines Exploration has awarded a coveted oilfield services contract to a consortium comprising Expro Group Integrated Services, Baker Hughes and BJ Services for five deep-water development wells in its $2 billion Malampaya gas ...
07/28/2000	2,194,900	845.438	0.138%	Factiva	Caterpillar a pet company? Halliburton in fish business? NEW YORK, July 28 (Reuters) - How much do investors really know about this great stock market? Not much. Some who invest their hard-earned dollars believe that Caterpillar Inc. is a pet company and Halliburton Co. is in the fish business. ...
07/28/2000	2,194,900	845.438	0.138%	Factiva	QATAR-PAKISTAN PIPELINE CONSORTIUM REORGANIZES Sharjah-based Crescent Petroleum is looking at reorganizing the five-member consortium that is to spearhead construction of a proposed 1,600km natural gas pipeline from Qatar to Pakistan. ...
07/28/2000	2,194,900	845.438	0.138%	Factiva	Cheney Retirement Package Could Be Worth At Least $2 Millionin WASHINGTON (AP)--Dick Cheney put in just under five years as chairman and chief executive officer of Halliburton Corp., (HAL) but could be eligible for a retirement package worth at least $2.1 million, financial records show. He also has ...
07/28/2000	2,194,900	845.438	0.138%	RBC Capital Market	HAL:N-;HALLIBURTON BEATS ESTIMATES; UPSTREAM BUSINESS STRONG
07/29/2000	.	.	.	Factiva	TRAINING FIELD Four years after helping to win the Persian Gulf War and liberating the oil fields of Kuwait, former Secretary of Defense Dick Cheney went from fighting for oil to running a Dallas-based firm that he has helped transform into the world's ...
07/29/2000	.	.	.	Factiva	Headlines from Washington Post for Saturday, July 29 FRONT PAGE: Putin Aims To Assure Tycoons - US Warns Arafat On Statehood - Bush, Cheney Come Calling In Arkansas - Cheney's Halliburton Stint Touted, Criticized - Economy Grew At 5.2% Annual Rate - Appeals Court Lifts Va ...
07/29/2000	.	.	.	Factiva	BARRON'S: Review & Preview Follow-Up -- A Return Visit To Earlier Stories -- Hail And Fare Has it been only 11 weeks since Halliburton chief Dick Cheney told shareholders at the annual meeting that he didn't intend to return to government service? Oh well, that's a long time

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					in politician-years. ...
07/29/2000	.	.	.	Factiva	Gulf War contacts helped put Cheney in private sector WASHINGTON - Four years after helping to win the Persian Gulf War and liberating the oil fie lds of Kuwait, former Secretary of Defense Dick Cheney went from fighting for oil to running a Dallas-based firm that he has helped transform into ...
07/30/2000	.	.	.	Factiva	Survey finds few investors know what big firms do NEW YORK - How much do investors really know about the companies in this great stock market? Not much. Some who invest their hard-earned dollars believe that Caterpillar Inc., the worl d's largest construction- and mining-equipment maker, is ...
07/30/2000	.	.	.	Factiva	Political Oil Slick Politics is ultimately about personal relationships--the handshakes and winks that provide a semblance of trust among often untrustworthy people. The oil business is that way too, and maybe that's why the two have become inextricably bound ...
07/30/2000	.	.	.	Factiva	Conoco deal in pipeline for Brown & Root. THE US's fourth largest oil company, Conoco, is expected to announce that Halliburton offsho ot Brown & Root has secured its multimillion pound service contract for the maintenance of i ts southern North Sea gas fields. ...
07/31/2000	2,241,200	846.125	1.5136	Factiva	People...Management move at Halliburton from: Petroleum Intelligence Weekly -- Former Halliburton president and COO David Lesar will become chairman, president and CEO effective 8/16/2000, replacing Dick Cheney, who will be running for vice-president of the USA in the 2000 ...
07/31/2000	2,241,200	846.125	1.5136	Factiva	GOP ticket's ties to 'Big Oil' make Democrats, greens blue from: Natural Gas Week -- US Democrats and environmental groups such as the Sierra Club are questioning the connection of Republican Party presidential candidate George W Bush and his rumored running mate Dick Cheney to the oil industry ...
07/31/2000	2,241,200	846.125	1.5136	Factiva	David Lesar, of Halliburton Company, elected to Lyondell Board of Directors From: Press Release -- HOUSTON, July 31, 2000 - Lyondell Chemical Company (NYSE:LYO) announc ed today that David J. Lesar has been elected to the Company's Board of Directors. This appo intment increases the size of the Board to nine, eight ...
07/31/2000	2,241,200	846.125	1.5136	Factiva	Top End rail link firms join queue. In 2000, over 660 companies have registered an interest to tender for work on the Port Darwi n to Alice Springs rail link in the Northern Territory. Construction of the 1410 kilometre r ail link is due to begin in August 2000 or September ...
07/31/2000	2,241,200	846.125	1.5136	Factiva	Manager's Journal: What If Your CEO Gets Promoted to VP? Last week, George W. Bush suddenly found a running mate. Just as suddenly, the Halliburton C ompany found itself without a leader. Board members at Halliburton, the world's largest ener gy supply company, learned only days before the public ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/31/2000	2,241,200	$46.125	1.5139	Factiva	BUSH HAS A "GRANDFATHERED" MAGAZINE CONNECTION; CHENEY, VIA HIS"RDA" WIFE. In George W. Bush's lineage is mother Barbara Bush's late father Marvin Pierce, who was McCa ll Publishing Co. president from 1966 through 1998. And running-mate Dick Cheney's wife Lynn e, who is an American Enterprise Institute senior fellow ...
07/31/2000	2,241,200	$46.125	1.5139	Factiva	PERSONNEL MOVES AND PROMOTIONS. Halliburton's Cheney accepts Bush's nomination for US vice-president At a special meeting ca lled early last week, Halliburton Co.'s board accepted the resignation of its chairman and C EO, Dick Cheney, after he made known his intentions to ...
07/31/2000	2,241,200	$46.125	1.5139	Factiva	At the Top: Good Pick Dubya, George W. Bush, must have made a wise choice in Dick Cheney as his running mate, cons idering Al Gore's, the major media's and other Democrats' response to the Republican veep se lection. They all said that one of Cheney's political ...
07/31/2000	2,241,200	$46.125	1.5139	Factiva	Massive Pay Cut for Veep. Cheney's salary while at Halliburton will also likely come under fire. He earned nearly $2 m illion in 1999, plus stock options worth about $12.5 million. In 1998, Cheney was paid $4.4 million plus stock options. ...
07/31/2000	2,241,200	$46.125	1.5139	Factiva	Halliburton Has Lackluster Quarter as Others See Earnings Surge. Halliburton, headed until Aug. 16 by Republican vice presidential candidate Dick Cheney, fal tered slightly on second-quarter earnings, mostly because of lower revenues in the engineeri ng and construction subsidiaries. ...
07/31/2000	2,241,200	$46.125	1.5139	Factiva	A Return Visit to Earlier Stories -- Hail and Farewell: Dick Cheney leaves Halliburton in Has it been only 11 weeks since Halliburton chief Dick Cheney told shareholders at the annua l meeting that he didn't intend to return to government service? Oh well, that's a long time in politician-years. ...
08/01/2000	2,656,600	$46.813	1.4919	Deutsche Bank Rese	Barinyi Associates, Inc. - Market Breadth
08/01/2000	2,656,600	$46.813	1.4919	Factiva	News Highlights: U.S. Construction Spending -1.7% In June Top Of The Hour U.S. Construction Spending -1.7% In June >M/EMI Ericsson Gets Microcell Conn exions GPRS Contract >ERICY US Richardson:Gasoline Prices Fall In Line With Forecasts >G/DOE TeleCorp, Lucent Extend Wireless ...
08/01/2000	2,656,600	$46.813	1.4919	Factiva	Conoco and Halliburton concludes five year U.K. contract From: Press Release -- ABERDEEN, Scotland (August 1, 2000) -- Two of the world's leading ene rgy companies, Conoco (NYSE:COC.A) (NYSE:COC.B) and Halliburton Company (NYSE:HAL) have conc luded one of the largest oil and gas industry service ...
08/01/2000	2,656,600	$46.813	1.4919	Factiva	Conoco, Halliburton ink $225 million North Sea contract HOUSTON (AP) - Conoco Inc. has signed a $225 million North Sea oil and gas service contract with Halliburton Co., one of the largest such deals ever reached in the United Kingdom. ...

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08/01/2000	2,656,600	$46.813	1.4916	Factiva	US Canada Business Briefs HOUSTON (AP) - Conoco Inc. has signed a dire 225 million North Sea oil and gas service contr act with Halliburton Co., one of the largest such deals ever reached in the United Kingdom. ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Conoco, Halliburton ink $225 million North Sea contract HOUSTON (AP) - Conoco Inc. has signed a $225 million North Sea oil and gas service contract with Halliburton Co., one of the largest such deals ever reached in the United Kingdom. ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Conoco and Halliburton Conclude Five Year U.K. Contract ABERDEEN, Scotland--(BUSINESS WIRE)--Aug. 1, 2000--Two of the world's leading energy compani es, Conoco (NYSE:COCA) (NYSE:COCB) and Halliburton Company (NYSE:HAL) have concluded one of the largest oil and gas industry service and support ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	TNK TO SIGN U.S. LOAN DEALS DURING PUTIN'S VISIT TO WASHINGTON MOSCOW, Aug 1 (Interfax) - Russia's Tyumen Oil Company (TNK) will sign the agreements on loa ns guaranteed by the U.S. Export-Import Bank during President Vladimir Putin visit to Washin gton in September. ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Mono Pumps at work in Australia.(Brief Article)(Statistical DataIncluded) UK-based Mono Pumps, part of the Halliburton company, has installed two E range progressing cavity pumps at Jundee Gold's first underground pumping station at Barton Deeps in Western A ustralia. Mono Australia has supplied the units to ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Halliburton's Cheney will run as Bush's VP Dallas-based Halliburton Co. (NYSE: HAL) chairman and chief executive officer Dick Cheney ha s accepted the invitation of Texas Gov. George W. Bush to be Bush's Republican Party vice pr esidential running mate. ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Paragon president Arnold assumes majority ownership.(Paragon Engineering Services Inc. Pre Ken Arnold, president of Paragon Engineering Services, Inc., reports that he has purchased H alliburton's 40% share of the company. With the move, Arnold increases his ownership share o f Paragon to 60%, and Halliburton divests its ownership ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Having finalised funding for the $2.5bn Barracuda/Caratinga... Having finalised funding for the $2.5bn Barracuda/Caratinga field development offshore Brazi l, Petrobras has awarded a $2.5bn-plus contract to Halliburton covering engineering, procure ment, construction and installation of wells and field ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	Petrobras signed deals amounting to some $3.6bn for upstream contracts... Petrobras signed deals amounting to some $3.6bn for upstream contracts, including Halliburto n's $2.5bn development in the Barracuda and Caratinga oilfields. Work on the project, which is to be financed by Itochu and Mitsubishi, was ...
08/01/2000	2,656,600	$46.813	1.4916	Factiva	TNK TO SIGN U.S. LOAN DEALS DURING PUTIN'S VISIT TO WASHINGTON MOSCOW, Aug 1 (Interfax) - Russia's Tyumen Oil Company (TNK) will sign the agreements on loa ns guaranteed by the U.S. Export-Import Bank during President Vladimir Putin visit to Washin

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					gton in September. ...
08/01/2000	2,656,600	846.813	1.491%	Factiva	Conoco, Halliburton Conclude 5-Yr U.K. Pact >COCA HAL NEW YORK -(Dow Jones)- Halliburton Co.'s (HAL) Brown & Root Energy Services unit received a five-year service contract from Conoco Inc.'s (COCA, COCB) British exploration and productio n unit, valued at about $225 million. ...
08/01/2000	2,656,600	846.813	1.491%	Factiva	News Highlights: U.S. Construction Spending -1.7% In June Top Of The Hour U.S. Construction Spending -1.7% In June >N/ERI Ericsson Gets Microcell Conn exions GPRS Contract >ERICY US Richardson:Gasoline Prices Fall In Line With Forecasts >G/DOE TeleCorp, Lucent Extend Wireless ...
08/01/2000	2,656,600	846.813	1.491%	Factiva	News Highlights: U.S. Construction Spending -1.7% In June Top Of The Hour U.S. Construction Spending -1.7% In June >N/ERI Ericsson Gets Microcell Conn exions GPRS Contract >ERICY US Richardson:Gasoline Prices Fall In Line With Forecasts >G/DOE TeleCorp, Lucent Extend Wireless ...
08/01/2000	2,656,600	846.813	1.491%	Factiva	Big Red heads for Campos.(Halliburton and Petrobras have announced that they have signed c Halliburton and Petrobras have announced that they have signed contracts to proceed with the development of Barracuda and Caratinga offshore fields in Brazil. Contracts valued at more than $2.5 billion will be performed by Halliburton's ...
08/02/2000	2,763,900	847.563	1.602%	Factiva	Government contracts, guarantees flow to Cheney's company WASHINGTON (AP) - With Dick Cheney at its helm the past five years, Halliburton Co. has bene fited from at least $3.8 billion in federal contracts and taxpayer-insured loans, a 15-fold increase over the previous five years, a watchdog group ...
08/02/2000	2,763,900	847.563	1.602%	Factiva	Gov't Contracts for Cheney's Co. WASHINGTON (AP) - With Dick Cheney at its helm the past five years, Halliburton Co. has bene fited from at least $3.8 billion in federal contracts and taxpayer-insured loans, a 15-fold increase over the previous five years, a watchdog group ...
08/02/2000	2,763,900	847.563	1.602%	Factiva	Industry Cheers Cheney Nomination; Critics Decry Environmental Record.(Brief Article) GEORGE W. BUSH'S CHOICE OF DICK Cheney has drawn praise from industry, but criticism from en vironmental and labor groups. Cheney served in politics for more than 30 years before moving into industry as chairman and CEO of E&C company ...
08/02/2000	2,763,900	847.563	1.602%	Factiva	Oilfield heavyweight hit by profit slump... Halliburton Co, the world's largest oilfield group revealed that its second-quarter profit f ell 5.5% due to lower spending by oil companies. ...
08/02/2000	2,763,900	847.563	1.602%	Factiva	B&R SCOOPS $225M N SEA DEAL Halliburton's North Sea subsidiary Brown & Root Energy Services (BREE) has clinched a key co ntract to maintain and modify Conoco facilities in the Southern Gas Basin worth US $225m. ..

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08/02/2000	2,763,900	$47.563	1.602%	Factiva	Boost for NE oil industry. THE North-east oil industry has been given a #150 million boost. Aberdeen-based oil giants C onoco and Halliburton have agreed terms on one of the largest support contracts ever awarded in the UK. ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	Halliburton Unit Lands Contract DALLAS -- Halliburton Co., the world's largest provider of oil-field services, said British unit Brown & Root Energy Services won a five-year, $225 million contract to give support ser vices to Conoco Inc. in the North Sea. ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	CONOCO AND HALLIBURTON SIGN A NORTH SEA CONTRACT Conoco Inc. signed a $225 million North Sea oil and gas service contract yesterday with the Halliburton Company, one of the largest such deals ever reached in Britain. Brown & Root Ene rgy Services, a unit of Dallas-based Halliburton, won ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	COMPANY NEWS: CONOCO AND HALLIBURTON SIGN A NORTH SEA CONTRACT Conoco Inc signs $225 million North Sea oil and gas service contract with Brown & Root Energ y Services unit Halliburton Co, one of largest such deals ever reached in Britain
08/02/2000	2,763,900	$47.563	1.602%	Factiva	Democrats Hit GOP Oil Ties, Push Green Power. Stepping up their attack on Republican presidential candidate George W. Bush and his running mate Richard Cheney for their oil industry ties, Democrats prepared to flaunt their green c redentials by making their party convention beginning ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	Conoco, Halliburton Close Deal. Conoco and Halliburton announced Tuesday that they have concluded one of the largest oil and gas industry service and support contracts ever awarded in the UK. ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	HALLIBURTON WINS CONOCO UK CONTRACT US oilfield service group Halliburton has won a $225-mil. five-year contract to service Cono co's UK gas assets, one of the largest support contracts ever awarded in the UK. ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	Halliburton Gained $3.8 Billion From US With Cheney At Helm WASHINGTON (AP)--With Dick Cheney at its helm the past five years, Halliburton Co. (HAL) has benefited from at least $3.8 billion in federal contracts and taxpayer-insured loans, a 15- fold increase over the previous five years, a watchdog ...
08/02/2000	2,763,900	$47.563	1.602%	Factiva	News Highlights:Rate Hike In Line With Econ-Australian PM Top Of The Hour Australian PM: Rate Hike In Line With Economic Reality>N/BKG US Wants Forest s To Count In Greenhouse Gas Reduction>N/PPR Halliburton Gained $3.8B From US With Cheney At Helm>N/PET Shell Reaches Deal To ...
08/03/2000	2,726,700	$47.125	(0.920%)	Factiva	Halliburton broadens its e-business, Internet strategy with investment inPetroleum Place From: Press Release -- August 3, 2000 DALLAS, Texas --Halliburton Company (NYSE: HAL) announ ced today that Halliburton Energy Services, Inc. has signed a definitive agreement, pending

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					final approval from Petroleum Place shareholders, to ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Halliburton forms NMR team to provide pinnacle level NMR services From: Press Release -- August 3, 2000 HOUSTON, Texas - Halliburton Energy Services, a business unit of Halliburton Company (NYSE: HAL), has established a team of experts in magnetic resonance imaging logging (MRILs) to further enhance its ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	GOP Vice President NOMINEE RICHARD CHENEY'S MULTINATIONAL OIL SERVICES FIRM TAKES TOP HONO NEW YORK--(BUSINESS WIRE)--August 3, 2000-- NY-Based Investment Advisory Firm Gives Halliburton Company AAA Rating Despite sharp criticism from environmental groups, Republican Vice President nominee Richard (Dick) Cheney's oil services ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	E&P REVIVAL HIKES HALLIBURTON The E&P sector's revival so far this year has helped Halliburton's Energy Services division to boost the company's second quarter financial performance, despite being offset by less encouraging results from engineering and construction ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Amarillo Globe-News, Texas, Energy Briefs Column HALLIBURTON CO. reported second quarter net income of $75 million or 17 cents a diluted share compared net income of $83 million and 19 cents a year ago. Directors declared a dividend of 12.5 cents a share payable Sept. 27 to shareholders ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Halliburton Broadens Its e-Business, Internet Strategy With Investment In Petroleum Place DALLAS, Aug. 3 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that Halliburton Energy Services, Inc. has signed a definitive agreement, pending final approval from Petroleum Place shareholders, to acquire a 15 percent ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Halliburton To Buy 15% Stake In Petroleum Place DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Halliburton Energy Services Inc. unit signed a definitive agreement to acquire a 15% stake in Petroleum Place Inc. in a transaction valued at $55.15 million including cash and other ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Cheney, firm financed sponsors of bill to limit asbestos-suit liability SEATTLE (AP) - Dick Cheney and the firm he will leave to run for vice president contributed more than $150,000 to members of Congress who sponsored legislation that would limit workers' ability to sue companies for asbestos exposure, the ...
08/03/2000	2,726,700	847.125	(0.920%)	Factiva	Seitel, Station Casinos, possible targets-BusinessWeek. NEW YORK, Aug 3 (Reuters) - Seitel Inc., a petroleum industry data and services provider, and gaming company Station Casinos Inc. are the subjects of buyout talk, according to an article in BusinessWeek's Aug. 14 edition. ...
08/03/2000	2,726,700	847.125	(0.920%)	PR News	Halliburton Broadens Its e-Business, Internet Strategy With Investment In Petroleum Place
08/04/2000	2,726,800	868.250	2.387%	Factiva	Democrats Lash Out At Grand Oil Party. Stepping up attacks on Republican presidential candidate George W. Bush and running mate Dick Cheney for their links to the oil industry (EC Jul.28,p10), Democrats are preparing to fla

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					unt their green credentials at their party convention ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	POLITICS & SOCIETY - CAMPAIGN 2000 II: CHENEY LINKED TO BILL LIMITING ASBESTOS LIABILITY Republican vice presidential nominee Dick Cheney and Halliburton Co., the Texas-based oil co mpany he will leave to run for office, have contributed more than $150,000 to members of Con gress who sponsored legislation to limit the ability of ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	Halliburton and Petroleum Place DALLAS -- Halliburton Co. said it signed a definitive agreement to acquire a 15% stake in Pe troleum Place Inc., an Englewood, Colo., Internet concern focused on acquiring and divesting oil and gas properties. The oil-services concern valued ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	Oil men cheer Bush selection of Dick Cheney - US. To the delight of the oil industry, Dick Cheney, former US defence secretary and chief execu tive officer (CEO) of Texas-based oil services company Halliburton, has been picked by the R epublican candidate for president George W Bush as his ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	Service giants slip. oo OIL SERVICE majors Baker Hughes and Halliburton failed to match second-quarter 1999 resul ts in the same period this year. Baker Hughes saw net revenues of $60.9 million, down from $ 68.9 million in the same quarter in 1999, while ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	RUSSIA Officials from Russia's Tyumen Oil Co are in the US to search for oil field and refinery equ ipment to purchase with the help of a $500-mil loan guaranteed by the US Export-Import Bank. a TOC spokesman said Aug 2. Orders should be placed by ...
08/04/2000	2,726,800	448.250	2.387%	Factiva	CHENEY'S FIRM BACKED ASBESTOS LEGISLATION HALLIBURTON FINANCED SPONSORS OF MEASURE TO LIMI Dick Cheney and the giant energy company he will leave to run for vice president have contri buted more than $150,000 to members of Congress who sponsored legislation that would limit t he ability of workers to sue companies for asbestos ...
08/05/2000				Factiva	Halliburton considers moving to Houston after Dick Cheney's departure HOUSTON (AP) - Halliburton may move its headquarters to Houston now that Dick Cheney has lef t to become the Republican vice presidential candidate, said David Lesar, who is taking over as the company's new chairman and chief executive ...
08/05/2000				Factiva	Halliburton considers moving to Houston after Dick Cheney's departure HOUSTON (AP) - Halliburton may move its headquarters to Houston now that Dick Cheney has lef t to become the Republican vice presidential candidate, said David Lesar, who is taking over as the company's new chairman and chief executive ...
08/05/2000				Factiva	Cheney linked to oil loans. A research group has linked Dick Cheney, the Republican party's prospective vice-president, with an increase in government-backed loans which helped his oil company do business in poli tically sensitive parts of the world. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/05/2000	.	.	.	Factiva	Dallas-Based Oil Services Firm Once Again Considers Houston forIts Base Halliburton, which has considered moving its headquarters to Houston in the past, will take another look now that Dick Cheney is moving on to become the Republican candidate for vice p resident, according to the company's new chairman and ...
08/05/2000	.	.	.	Factiva	Halliburton considering moving base (SEE CORRECTION) / Company once again weighs Houston f Halliburton, which has considered moving its headquarters to Houston in the past, will take another look now that Dick Cheney is moving on to become the Republican candidate for vice p resident, according to the company's new chairman and ...
08/08/2000	.	.	.	Factiva	POLITICAL OIL SLICK Politics is ultimately about personal relationships -- the handshakes and winks that provide a semblance of trust among often untrustworthy people. The oil business is that way too, an d maybe that's why the two have become inextricably ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Online sales of properties beginning to carve out niche From: Natural Gas Week -- Halliburton has ventured into the field of online oil and gas prop erty sales via the acquisition of a 15% stake in Petroleum Place for $55.15 million. Its sub sidiary, Landmark Graphics will form an alliance with ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	The business of sanctions. George W Bush's selection of Dick Cheney as his vice-presidential running mate is controversi al in some respects. The vice-presidential candidate in the 2000 United States elections, w ho was chosen by Bush in July, has been chief executive ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	The politics of energy use. With the always simmering politics of energy and the environment headed for the boil in a US presidential election year, the oil and gas industry should stay ready to assert perspectiv e when threats emerge. One such threat will develop as ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Solid expandable tubulars extend well's life. Expandable cased-hole liners changed the status of a 5 1-year old, Occidental Permian Ltd. w ell from a plug- and-abandonment candidate to an active injecting well. ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Dresser Equipment Group, Inc.,. Dallas, Tex., has named Albert G. Luke president of the recently consolidated DMD-Roots Divi sion. Dresser Equipment Group is a business segment of Halliburton Co. ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Petroleum Place Forms Strategic Alliance With Investment From Halliburton Company Alliance to Deliver Online, Integrated Access to Landmark Graphics' Analytical Applications & Enable Petroleum Place's International Expansion ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Online Sales of Properties Beginning to Carve Out Niche. Halliburton became the latest company to enter the new frontier of online sales of oil and n atural gas properties last week, purchasing a 15% stake in Petroleum Place for $55.15 millio

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					n. ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	Halliburton to Pay $55 Million for 15% Stake In Petroleum PlaceOnline Property Sales Firm. Halliburton Energy Services announced late Thursday that it will acquire a 15% stake in Petroleum Place, an Internet company focused on oil and gas property sales, for $55.15 million, pending approval of Petroleum Place shareholders. ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	DEAR GEORGE, GREAT CHOICE. BEST, AL GORE Euphoria was in the air on July 25 as George W. Bush introduced former Defense Secretary Richard B. Cheney as his running mate. To Team Bush, the CEO of Halliburton Co. and former Wyoming congressman is a safe, solid choice with lots of ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	CHENEY IS NOT AFRAID OF CHANGE Vice Presidential candidate Dick Cheney may have come into the construction industry a rookie, but after five years as the chairman of Halliburton, he leaves the company stronger, leaner and more profitable. ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	HALLIBURTON IN WEB VENTURE Halliburton said Aug 7 it has signed an agreement to acquire a 15% stake in Petroleum Place, an Internet company focused on the acquisition and divestiture market, in a deal worth $55.19-mil. Halliburton's equity stake is subject to ...
08/07/2000	2,029,700	$48.688	0.907%	Factiva	The Business of Sanctions It looked like the kind of moment that opposition researchers spend their lives trying to unearth. Just as 13 Iranian Jews stood in the prisoner's dock of an Islamic court on espionage charges last June, Halliburton CEO Dick Cheney ...
08/08/2000	3,249,600	$49.813	2.311%	Factiva	Kvaerner launches $38m hostile bid for Aker. Kvaerner, the Anglo-Norwegian engineering group, yesterday launched a 4.5bn-crown (£348m) hostile bid for its biggest shareholder in a bizarre twist to an increasingly bitter fight for survival. ...
08/08/2000	3,249,600	$49.813	2.311%	Factiva	Halliburton considers moving its headquarters HOUSTON (AP) -- Halliburton may move its headquarters to Houston now that Dick Cheney has left to become the Republican vice presidential candidate, said David Lesar, who is taking over as the company's new chairman and chief executive ...
08/08/2000	3,249,600	$49.813	2.311%	Factiva	Landmark Graphics to Deliver New 'Customer-Driven' Internet Service DALLAS, Aug. 8 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), announced today that it will deliver industry-leading customer support and knowledge services via the Internet ...
08/08/2000	3,249,600	$49.813	2.311%	Factiva	Russia: Tyumen Oil Company to start implementation of $500 mil projects in October. Russian Federation: Russian Tyumen Oil Company (TNK) (Moscow, Russia) will begin full-scale implementation of projects financed with $500 mil in loans guaranteed by the US Export-Import Bank in October. A team of TNK specialists is ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/06/2000	3,249,600	849.813	2.3119	Factiva	Hide-hi meets polite society THE ERPINGHAM CAMP - Assembly Rooms, Edinburgh Rachel Halliburton If there were a motto to t his little-known Joe Orton drama, it would be - somewhat farcically - an Englishman's camp i n his castle. The work may not be one of Orton's ...
08/06/2000	3,249,600	849.813	2.3119	Factiva	Correction and clarification The Internet address for Astounding Websites is www.astoundingweb.org. The address was incor rect in the What's Online column on page 2F of Friday's Technology section.
08/08/2000	3,249,600	849.813	2.3119	Factiva	Landmark Grants Record $12.9 Million in Integrated Software andServices To Southern Albert Company Awards the Largest Single Grant in the History of the Program DALLAS, Aug. 8 /CNW/ - - Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced that it has granted U.S. $12.9 ...
08/08/2000	3,249,600	849.813	2.3119	Factiva	BRIEFING Local HALLIBURTON TO BUY STAKE IN PETROLEUM PLACE: Halliburton Energy Services Inc. has sign ed an agreement to purchase a 15 percent equity stake in Denver-based Petroleum Place for $3 5.25 million. In connection with the agreement, the two ...
08/08/2000	3,249,600	849.813	2.3119	PR News	Landmark Graphics to Deliver New 'Customer-Driven' Internet Service
08/08/2000	3,249,600	849.813	2.3119	PR News	Landmark Awards $31.5 Million in Integrated E&P Software and Services
08/09/2000	8,175,100	852.625	5.6469	Factiva	LYONDELL CHEMICAL (David J. Lesar) (Brief Article) LYONDELL CHEMICAL has named David J. Lesar to its board of directors. Lesar is currently pre sident and COO at Halliburton and is slated to replace Republican vice presidential nominee Dick Cheney as Halliburton chairman and CEO later this ...
08/09/2000	8,175,100	852.625	5.6469	Factiva	REPUBLICANS SIGNAL END TO ILSA Governor George Bush's choice of former Halliburton boss Dick Cheney as his vice presidentia l candidate is the clearest signal yet that a Republican administration would abandon US san ctions against the Iranian oil industry. ...
08/09/2000	8,175,100	852.625	5.6469	Factiva	Leading Oilfield Services Firms to Form Supplier Portal; Expected To Significantly Facilit HOUSTON, Aug. 9 /PRNewswire/ -- Twelve major oilfield services firms have announced their in tention to work together to form a joint venture company, OFS Portal. OFS Portal would provi de customers a single source of standardized electronic ...
08/09/2000	8,175,100	852.625	5.6469	Factiva	Halliburton, Schlumberger, Others Form OFS Portal>NAL SLB HOUSTON -(Dow Jones)- Twelve oilfield services companies plan to form OFS Portal, a not-for- profit venture company that will provide customers with a single source of standardized elec tronic catalog and service agreement information for ...
08/09/2000	8,175,100	852.625	5.6469	Factiva	NYSE Most Actives At 11:00 A.M. Compaq Compute 11,960,700 31 3/8 Up 3/8 Lucent Technol 10,547,800 41 1/8 Up 5/8 AT&T 8,812,2 00 35 1/8 Up 3/16 Nokia ADS 7,225,900 39 13/16 Up 13/16 Verizon Commun 6,106,200 41 3/16 Dn

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					1 5/16 ...
08/09/2000	8,175,100	$52.625	5.6464	Factiva	NYSE Most Actives At 12:00 P.M. Compaq Compute 17,982,200 31 11/16 Up 11/16 Lucent Technol 13,603,000 40 3/4 Up 1/4 Verizon Commun 11,601,900 39 11/16 Dn 2 13/16 AT&T 10,660,800 28 15/16 Unch Nokia ADS 9,413,500 39 3/4 Up ...
08/09/2000	8,175,100	$52.625	5.6464	Factiva	NYSE Most Actives At 1:00 P.M. Compaq Compute 23,225,700 31 9/16 Up 9/16 Lucent Technol 16,844,700 41 1/8 Up 5/8 Verizon Commun 14,905,500 39 5/8 Dn 2 7/8 AT&T 13,484,800 29 11/16 Dn 1/4 Nokia ADS 13,324,100 40 3/16 Up 1 3/16 Wal ...
08/09/2000	8,175,100	$52.625	5.6464	Factiva	NYSE Most Actives At 3:00 P.M. Compaq Compute 28,150,200 31 15/16 Up 15/16 Lucent Technol 20,823,200 41 5/16 Up 13/16 Nokia ADS 19,927,200 40 13/16 Up 1 13/16 Verizon Commun 18,157,400 40 Dn 2 1/2 AT&T 18,257,700 30 1/4 Up 5/16 ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	OIL AND GAS EXHIBITION WILL TAKE PLACE IN KAZAKHSTAN IN OCTOBER. BAKU, 10 AUGUST, AZER-PRESS. Representatives of four hundred companies from thirty-five countries expressed their intent of participation in the eight international oil and gas exhibition KIOGE-2000 that will be taking place in Almaty ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	Cheney to leave group. THE chairman and chief executive of DML's major shareholder has stepped down to run as an American vice-presidential candidate. Dick Cheney, a former US Secretary of Defence, has accepted the invitation of George W Bush to be his Republican ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	PEOPLE - MOVING PLACES - Tony Pryor. * Brown & Root Services, a business unit of Halliburton Company has named Tony Pryer chief operating officer for its Europe and Africa business. Pryer will continue to be chairman of Davenport Royal Dockyard, the company that owns the ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	WILLIAM J. BOUDREAUX SR. William Joseph Boudreaux Sr., a retired inventory supervisor for Halliburton Co., died Tuesday of a heart attack at his home. He was 63. Mr. Boudreaux was born in New Orleans, lived in Harvey for 36 years and lived in Poplerville, Miss ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	Veripos GPS operator sets up Canadian service sites. Veripos, the specialist operator of differential GPS networks jointly maintained and administered by Halliburton-Subsea and Cairis-Topnav, has established a service in Canada providing Inmarsat-delivered correctfacilities for navigation and ...
08/10/2000	3,280,900	$52.125	(0.9509)	Factiva	GEOTHERMAL WELL CEMENT WINS Aug. 3 -- A cement useful in geothermal wells won Brookhaven National Laboratory an R&D 100 award. BNL announced that the cement, developed with Halliburton Co. and Unocal Corp., could help protect geothermal wells from carbon-dioxide ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/10/2000	3,280,900	$52.125	(0.9506)	Factiva	Data Basics: Computer Sector Tops List of CEO Turnover When Richard B. Cheney left Halliburton Co. as its chief executive to become the Republican vice presidential candidate, he became one of 801 CEOs to step down in the past 12 months, a ccording to a new report. ...
08/10/2000	3,280,900	$52.125	(0.9506)	Factiva	The surreal world of Jesus of Edinburgh: With a primetime slot at this year's Festival, Da LATE-night comedy addicts looking for their latest fix around Edinburgh's Pleasance Courtyar d would do well to hone in on the comedian whose unforgettable stage presence contrasts with a name which is almost impossible to remember.
08/11/2000	2,034,700	$51.000	(2.1584)	Factiva	Profile: Oil industry hoping to get a boost if Governor George W. Bush and Dick Cheney, bo HOWARD BERKES, host: When Republican presidential nominee George W. Bush elected Richard Che ney as his running mate, critics called it a dream team for US oil companies. Both men had w orked in the petroleum industry. In fact, at the time ...
08/11/2000	2,034,700	$51.000	(2.1584)	Factiva	CHAMBERS FACT-FILE CHAMBERS FACT-FILE Age: 51 Career to date: President and chief executive of Petrocosm Corpor ation; senior vice president of Halliburton; president of Halliburton Energy Development; ..
08/11/2000	2,034,700	$51.000	(2.1584)	Factiva	Oil is a dirty word. THE APPLAUSE had hardly faded following the choice of Dick Cheney as George W Bush's Republi can vice presidential running mate before Democratic spinners were spitting out the "D&G" wo rds. ...
08/12/2000				Factiva	Dick Cheney to get 20 million dollar retirement package: report NEW YORK, Aug 12 (AFP) - Republican vice-presidential nominee Richard Cheney is to receive a 20 million dollar retirement package on leaving the energy services company he was working for, the New York Times reported Saturday. ...
08/12/2000				Factiva	Cheney retirement package worth $20 million approved WASHINGTON (AP) - The oil services company that Dick Cheney ran the last five years has agre ed to let him retire with a package worth an estimated $20 million, a person familiar with t he company's plan confirmed Saturday. ...
08/12/2000				Factiva	Cheney retirement package worth $20 million approved WASHINGTON (AP) - GOP vice presidential candidate Dick Cheney was granted a $20 million reti rement package from the oil services company he is retiring from, a person familiar with the company's plan said Saturday. ...
08/12/2000				Factiva	Cheney Gets $20M Retirement Deal WASHINGTON (AP) - GOP vice presidential candidate Dick Cheney was granted a $20 million reti rement package from the oil services company he is retiring from, a person familiar with the company's plan said Saturday. ...
08/12/2000				Factiva	CHENEY GETS $20 MILLION FOR RETIREMENT The energy services company that Dick Cheney served for much of the last five years as chair man and chief executive has agreed to give him a retirement package worth an estimated $20 m

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					illion, according to people who have reviewed the deal. ...
08/12/2000	.	.	.	Factiva	Company will give Cheney $20 million retirement deal The energy services company that Dick Cheney served for much of the past five years as chair man and chief executive has agreed to give him a retirement package worth an estimated $20 m illion, according to people who have reviewed the deal. ...
08/12/2000	.	.	.	Factiva	Cheney Is Said to Be Receiving $20 Million Retirement Package The energy services company that Dick Cheney served for much of the last five years as chair man and chief executive has agreed to let Mr. Cheney, the Republican vice-presidential candi date, retire with a package worth an estimated $20 ...
08/12/2000	.	.	.	Factiva	CHENEY IS SAID TO BE RECEIVING $20 MILLION RETIREMENT PACKAGE Halliburton Co agrees to let its former chmn Dick Cheney retire with package worth estimated $20 million; informed sources say company approves arrangement on July 20, five days before Gov George W Bush announced his selection of Cheney as ...
08/12/2000	.	.	.	Factiva	Cheney to get $20 million retirement package - NYT. NEW YORK, Aug 12 (Reuters) - Republican vice presidential candidate Dick Cheney stands to re ap a golden parachute worth an estimated $20 million when he retires from the Halliburton Co ., the energy services firm he has led over the past ...
08/12/2000	.	.	.	Factiva	Cheney's Retirement Package Worth $20 Million - NY Times NEW YORK (AP)--The energy services company that Dick Cheney ran the last five years has agre ed to let him retire with a package worth an estimated $20 million, The New York Times repor ted Saturday. ...
08/12/2000	.	.	.	Factiva	Cheney offered retirement deal worth $20 million The Dallas energy services company that Dick Cheney served for much of the last five years a s chairman and chief executive has agreed to give him a retirement package worth an estimate d $20 million, according to people who have reviewed the ...
08/12/2000	.	.	.	Factiva	Report: Cheney retirement package worth $20 million NEW YORK - The energy-services company that Dick Cheney ran the past five years will let him retire early with a package worth an estimated $20 million, The New York Times reported tod ay.
08/13/2000	.	.	.	Factiva	HEADLINE: Cheney retiring from oil company with $20 million WASHINGTON - GOP vice presidential candidate Dick Cheney was granted a $20 million retiremen t package from the oil services company from which he is retiring, a person familiar with th e company's plan said Saturday. The package ...
08/13/2000	.	.	.	Factiva	CHENEY RETIREMENT PACKAGE WORTH $20 MILLION APPROVED He will retire from Halliburton Aug. 16 WASHINGTON - GOP vice presidential candidate Dick Ch eney was granted a $20 million retirement package from the oil services company he is retiri ng from, a person familiar with the company's plan said ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/13/2000	.	.	.	Factiva	Cheney retires with $20 million WASHINGTON -- GOP vice presidential candidate Dick Cheney was granted a $20 million retireme nt package from the oil services company he is retiring from, a person familiar with the com pany's plan said yesterday. ...
08/13/2000	.	.	.	Factiva	Cheney to get $20 mil. retirement package, says N.Y. Times NEW YORK, Aug. 13 -- Republican vice presidential candidate Dick Cheney is to receive a reti rement package worth about $20 million (about 2.16 billion yen) from Halliburton Co., the Da llas-based energy services firm that he leads, the New ...
08/13/2000	.	.	.	Factiva	OIL FIRM REPORTED TO GIVE CHENEY HUGE DEAL The oil services company that Dick Cheney ran for the past five years has agreed to let him retire with a package worth an estimated $20 million, The Associated Press reported Saturday . ...
08/13/2000	.	.	.	Factiva	Cheney retirement worth $20 million - Deal lets Bush running mate avoid penalties Republican vice presidential candidate Dick Cheney stands to reap a golden parachute worth a n estimated $20 million when he retires from the Halliburton Co., the energy services firm h e has led over the past five years, the New York Times ...
08/13/2000	.	.	.	Factiva	Leonard A. Price PRICE With the passing of Leonard A. Price, on August 10, 2000, Oklahoma lost one of its tru ly original oil men. Leonard, 84, was born on an oil lease near Morris, Oklahoma, November 1 0, 1915 to W. Asa Price and Mary Charlotte Glasgow Price ...
08/13/2000	.	.	.	Factiva	CHENEY TO RETIRE WITH $20 MILLION THE PACKAGE WAS APPROVED BY THE OIL COMPANY WHERE HE WAS WASHINGTON -- GOP vice presidential candidate Dick Cheney was granted a $20 million retireme nt package from the oil services company he is retiring from, a person familiar with the com pany's plan said Saturday. ...
08/13/2000	.	.	.	Factiva	Cheney Gets $20 Million Package; Halliburton Board Allows EarlyRetirement Without Penalty Republican vice presidential candidate Richard B. Cheney will receive a retirement package w orth approximately $20 million from the Texas-based energy services company he headed, accor ding to a knowledgeable source at the firm, Halliburton ...
08/13/2000	.	.	.	Factiva	Halliburton approves Cheney retirement pay $20 million package his when he leaves oil comp WASHINGTON -- GOP vice presidential candidate Dick Cheney was granted a $20 million retireme nt package from the oil services company he is retiring from, a person familiar with the com pany's plan said yesterday. ...
08/13/2000	.	.	.	Factiva	Cheney retirement package is worth $20m. NEW YORK: The energy services company that Dick Cheney ran the last five years has agreed to let him retire with a package worth an estimated $20 million, The New York Times reported S aturday. ...
08/13/2000	.	.	.	Factiva	CHENEY'S COMPANY APPROVES $20 MILLION RETIREMENT DEAL WASHINGTON -- The oil services company that Dick Cheney ran the last five years has agreed t o let him retire with a package worth an estimated $20 million, a person familiar with the c

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ompany's plan confirmed Saturday. ...
08/13/2000				Factiva	Cheney's Retirement Package Worth $20M Washington-The oil services company that Dick Cheney ran the last five years has agreed to l et him retire with a package worth an estimated $20 million, a person familiar with the comp any's plan confirmed yesterday. ...
08/13/2000				Factiva	THE DEMOCRATIC CONVENTION Cheney's Rich Retirement Deal Draws Gore Attack Dick Cheney, the GOP nominee for vice president, came under fire from Al Gore's presidential campaign Saturday for his lucrative early-retirement deal with the oil-services giant he ha s led for five years as chief executive. ...
08/13/2000				Factiva	Cheney's employer gives him a $20 million retirement deal ! Mayaid Gore effort to link GO WASHINGTON -- Dick Cheney was granted a $20 million retirement package from the oil services company he is retiring from, a person familiar with the plan said yesterday.
08/13/2000				Factiva	Cheney granted $20 million in retirement WASHINGTON (AP) -- GOP vice presidential candidate Dick Cheney was granted a $20 million ret irement package from the oil services company he is retiring from, a person familiar with th e company's plan said Saturday.
08/13/2000				Factiva	Cheney retirement deal: $20 million Energy services firm lets candidate leave early The energy services company that Dick Cheney served for much of the last five years as chair man and chief executive has agreed to give him a retirement package worth an estimated $20 m illion, according to people who have reviewed the deal.
08/13/2000				Factiva	OIL COMPANY GIVES CHENEY $20M RETIREMENT PACKAGE GOP vice presidential candidate Dick Cheney was granted a $20 million retirement package fro m the oil services company he is retiring from, a person familiar with the company's plan sa id Saturday.
08/14/2000	2,803,000	$52.250	2.451%	Factiva	Republicans main beneficiaries of 'soft money' from oil, gas From: Natural Gas Week -- According to the Center for Responsive Politics, the US Republican Party has received $5.8 million, including 'soft money,' from the oil and gas industry duri ng the 2000 election campaign, compared with $1.8 ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	Halliburton Energy Services receives deepwater vendor award from Conoco From: Press Release -- HOUSTON (August 14, 2000) -- Halliburton Energy Services' Zonal Isola tion product service line was recently honored for its excellent safety, service and environ mental performance on the Conoco Inc. (NYSE:COC.A) (NYSE ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	IF BUSH WINS THE PRESIDENTIAL ELECTIONS USA WILL TERMINATE SANCTIONS AGAINST AZERBAIJAN A BAKU, 14 AUGUST, AZER-PRESS. If George Bush of the Republican Party wins the presidential el ections, US administration may terminate the sanctions against both Azerbaijan and Iran. ...

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08/14/2000	2,803,000	$52.250	2.451%	Factiva	Halliburton Energy Services Receives Deepwater Vendor Award from Conoco HOUSTON--(BUSINESS WIRE)--Aug. 14, 2000--Halliburton Energy Services' Zonal Isolation produc t service line was recently honored for its excellent safety, service and environmental perf ormance on the Conoco Inc. (NYSE:COCA)(NYSE:COCB ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	Cheney gets $20m oil job pay-off. The Republican presidential candidate George W Bush said yesterday that he saw nothing impro per in the weekend revelation that his running mate Dick Cheney has been given a 'retirement ' package worth $20m by the Texas oil multinational at ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	THE DEMOCRATS: THE REPUBLICANS: BUSH DEFENDS SETTLEMENT FOR CHENEY Gov George W Bush defends generous $20 million retirement package Republican vice presidenti al running mate Dick Cheney received from former employer Halliburton Co as standard practic e for company executive; senior Democrats deride Bush ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	Alarm over $20m payout to Cheney. THE Bush and Gore campaigns were at odds yesterday over the propriety of a multi-million dol lar retirement package for Richard Cheney, who left his job to run for Vice-President on the Republican ticket. ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	CHENEY TO RECEIVE $20 MILLION. (CBS.MW) - The board of energy services company Halliburton plans to offer Republican vice-p residential candidate Dick Cheney a retirement package valued at approximately $20 million. ...
08/14/2000	2,803,000	$52.250	2.451%	Factiva	World-Wide DEMOCRATS GATHERED in Los Angeles as a poll showed Gore making up ground. A Wall Street Jour nal/NBC survey found the Gore-Lieberman ticket trails by just 47% to 44%. It also gave Gore an edge on health care, a convention theme. Hollywood ...
08/13/2000	2,115,400	$51.438	(1.555%)	Factiva	Cheney getting calls for cash from Gore HOLLYWOOD - Happy Tuesday, Oklahoma, and how's everybody? The New York Times says Halliburto n's board of directors voted to give Dick Cheney a retirement package of $20 million. He's n ot as happy about it as you might think. Now, every time ...
08/13/2000	2,115,400	$51.438	(1.555%)	Factiva	Cheney exposed George W Bush's running mate Dick Cheney is up to his neck in efforts to limit suits by work ers exposed to asbestos. An expose last week in the Seattle Post-Intelligencer reveals that Cheney personally and the Halliburton Company, for which ...
08/13/2000	2,115,400	$51.438	(1.555%)	Factiva	[INSIDE THE BELTWAY] HELP WANTED You might have read where Republican vice-presidential candidate Richard B. Chen ey has been granted a $20 million retirement package from Dallas-based Halliburton Co., appr oved by the oil company's board on the same day Texas ...
08/10/2000	6,677,300	$54.000	4.982%	Factiva	Halliburton announces terms of Cheney departure From: Press Release -- August 10, 2000 DALLAS, Texas - Halliburton Company (NYSE:HAL) announ ced the following terms relating to Dick Cheney's departure from the company which were appr

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					oved by its board of directors in a special meeting held ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney can't sell some of his stock options yet HOUSTON (AP) - If he's elected vice president, Dick Cheney will either continue to hold part of his large stake in the oil services company he has headed or forfeit it, a company offic ael said Thursday. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney Officially Leaves Halliburtons DALLAS (AP) - Republican vice presidential nominee Richard Cheney officially left oil-servic es firm Halliburton Co. on Wednesday with a multimillion dollar retirement package that drew criticism from Democrats and a mixed reaction from some ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney Officially Leaves Oil Co. DALLAS (AP) - Republican vice presidential nominee Richard Cheney officially left his oil-se rvices firm Wednesday with a generous retirement package that drew criticism from Democrats and raised eyebrows of some compensation experts. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Lieberman Pick Energizes Environmental Camp.(Sen. Joseph Lieberman, Democratic party vice VICE PRESIDENT AL GORE'S CHOICE OF Senator Joseph Lieberman (D., CT) as his running mate has polarized the 2000 presidential campaign into a fight between a green Democratic team and t he pro-industry Republican ticket of Texas Governor ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	CHENEY TAKING BATH DESPITE $20 MILLION SHOWER So there I was, all set to organize some kind of fund-raiser for Dick Cheney, when that big Dallas oil outfit he's been working for had to go and spoil things. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Oceaneering Announces Appointment of Robert P. Morrison as Senior Vice President Manufact HOUSTON, Aug. 16 /PRNewswire/ -- Oceaneering International, Inc. (NYSE: OII) announced the a ppointment of Robert P. Morrison as Senior Vice President Manufacturing, a new position with the Company. Mr. Morrison comes to Oceaneering from ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Halliburton Announces Terms of Cheney Departure DALLAS, Aug. 16 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced the following term s relating to Dick Cheney's departure from the company which were approved by its board of d irectors in a special meeting held on July 25, 2000 ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	TNK TO SIGN U.S. LOAN DEALS DURING PUTIN'S VISIT TO WASHINGTON. Russia's Tyumen Oil Company (TNK) will sign the agreements on loans guaranteed by the U.S. E xport-Import Bank during President Vladimir Putin visit to Washington in September. The U.S. Export-Import Bank gave final approval to the credit ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Halliburton takes $8.5 mln Cheney package charge. DALLAS, Aug 16 (Reuters) - Halliburton Co. said on Wednesday it would take a one-time charge of about $8.5 million to cover expenses relating to a retirement package for outgoing Chair man and Chief Executive Officer Dick Cheney. ....

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08/16/2000	4,677,300	$54.000	4.982%	Factiva	Halliburton's Dick Cheney Resigns As Chmn-CEO DALLAS -(Dow Jones)- Halliburton Co. (HAL) will record a third quarter charge of about $0.5 million related to the terms of Chairman and Chief Executive Dick Cheney's departure. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	News Highlights: Dick Cheney Resigns As Halliburton Chairman Top Of The Hour Halliburton's Dick Cheney Resigns As Chmn-CEO>HAL Top Of The Day US July Consumer Prices +0.2%; Consensus +0.1%>M/EMI - US July CPI Ex-Food & Energy +0.2%; Consensus +0.2%>M/EMI ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney can't sell some of his stock options yet HOUSTON (AP) - If he's elected vice president, Dick Cheney will either continue to hold part of his large stake in the oil services company he has headed or forfeit it, a company official said Thursday. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney leaves Halliburton with generous retirement package DALLAS (AP) - Republican vice presidential nominee Dick Cheney officially left his oil-services firm Wednesday with a generous retirement package that drew criticism from Democrats and raised eyebrows of some compensation experts. ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney leaves Halliburton with generous retirement package DALLAS (AP) - Republican vice presidential nominee Richard Cheney officially left oil-services firm Halliburton Co. on Wednesday with a multimillion dollar retirement package that drew criticism from Democrats and a mixed reaction from some ...
08/16/2000	4,677,300	$54.000	4.982%	Factiva	Cheney departs Halliburton with a well-lubricated seperation package DALLAS (AP) - Republican vice-presidential nominee Richard Cheney officially left oil-services firm Halliburton Co. on Wednesday with a multimillion-dollar retirement package. ...
08/16/2000	4,677,300	$54.000	4.982%	PR News	Halliburton Announces Terms of Cheney Departure
08/17/2000	3,153,000	$53.750	(0.463%)	A.G. Edwards & Son	Halliburton Comany - STRONG PRICE PERFORMANCE CREATES LESS FAVORABLE RISK/REWARD - DOWNGRADING TO ACCUMULATE/AGGRESSIVE
08/17/2000	3,153,000	$53.750	(0.463%)	Factiva	Halliburton launches initiative to revolutionize deepwater development From: Press Release -- August 17, 2000 Breadth and depth of integrated resources enable Halliburton to dramatically improve economic recoverability and reduce development cycle time for well development and exploration in ultra-deep water ...
08/17/2000	3,153,000	$53.750	(0.463%)	Factiva	Cheney leaves Halliburton with generous retirement package HOUSTON (AP) - Republican vice presidential nominee Dick Cheney either will continue to have a large stake in Halliburton Co. or forfeit those holdings in his former company if he wins office, a company official said Thursday. ...

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08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney leaves Halliburton with generous retirement package HOUSTON (AP) - Republican vice presidential nominee either will continue to have a large sta ke in Halliburton Co. or forfeit those holdings in his former company if he wins office, a c ompany official said Thursday. ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney can't sell some of his stock options yet HOUSTON (AP) - If he's elected vice president, Dick Cheney will either continue to hold part of his large stake in the oil services company he has headed or forfeit it, a company offic ial said Thursday. ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney's use of oil company stock options limited HOUSTON (AP) - Dick Cheney could retain a large stake in Halliburton Co. if he's elected vic e president or decide to forfeit it, a company official said Thursday. ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney's use of oil company stock options limited HOUSTON (AP) - Dick Cheney could retain a large stake in Halliburton Co. if he's elected vic e president or decide to forfeit it, a company official said Thursday. ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney Can't Sell Some of His Stock HOUSTON (AP) - Dick Cheney could retain a large stake in Halliburton Co. if he's elected vic e president or decide to forfeit it, a company official said Thursday. ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	CHENEY'S STOCK RISES Dick Cheney, who quit oil services giant Halliburton to run for US vice president, has left with stock options worth US $13.7m. The Halliburton board agreed to let Cheney, who had been chairman of Halliburton, take early retirement at the ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	WHITE HOUSE 2000 - CHENEY: OFFICIALLY RETIRES YESTERDAY WITH OVER $33 MIL IN STOCKS New York Times' Morris reports that Dick Cheney officially retired from the Halliburton Co. yesterday "with millions of dollars worth of stock options that he cannot cash until long af ter the new administration takes office." Cheney "has ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Halliburton Says Cheney's Benefit Followed Policy Halliburton Co. said its decision to allow Republican vice-presidential candidate Dick Chene y to walk away from the company with about $20 million in stock, options and other benefits was "perfectly normal" under a longstanding early ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Democratic Convention 2000: The Homestretch In Los Angeles Ralph Nader runs into legal trouble over a campaign commercial. MasterCard In ternational filed a copyright infringement suit against the Green Party presidential candida te in federal court in New York over his use of an ad ...
08/17/2000	3,153,000	853.750	(0.463%)	Factiva	Cheney Gets Millions in Retirement Package from Halliburton Halliburton Co. said yesterday that its directors approved early retirement for its chairman , Republican vice presidential nominee Dick Cheney, and that the company will take an $8.5 m

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					illion charge against third-quarter earnings to cover ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Cheney Officially Collects Hefty Early-Out Package from Texas Oil Company Like so many in the oil field services industry in the past year, Dick Cheney on Wednesday p icked up his early-retirement package from Halliburton. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Houston-Area Oil-Field Services Firm to Announce New DeepwaterInitiative Halliburton will announce today a new deepwater initiative, telling oil companies it will be able to cut 25 percent off the time it takes to go from a discovery to pumping oil, current ly averaging seven years. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Cheney Gets $33 Million Exit Package from Dallas-Based Energy Services Firm Republican vice presidential candidate Dick Cheney is taking about $33.7 million in stock an d stock rights as he leaves Halliburton Co. for the campaign trail, including more than $13 million that required Halliburton board approval. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	UPDATE: ProSafe in negotiations to acquire service rig (Recasts to confirm negotiations complete.) The Norwegian company ProSafe ASA has concluded negotiations to acquire the multi service rig HSV Regalia from Halliburton Brown & Root Ltd. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	In Retirement Deal, Cheney Could Keep Options in Office Dick Cheney, the Republican nominee for vice president, retired from the Halliburton Company with millions of dollars worth of stock options that he cannot cash until long after the ne w administration takes office, the company announced ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	IN RETIREMENT DEAL, CHENEY COULD KEEP OPTIONS IN OFFICE Republican vice presidential candidate Dick Cheney retired from Halliburton Co with millions of dollars in stock options that he cannot cash until long after new administration takes o ffice; will not be allowed to sell options, which cannot ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	CHENEY'S ROSY FUTURE Alex Taylor letter comments on August 12 article on Republican vice presidential nominee Dic k Cheney's $20 million retirement package from Halliburton Co
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	CHENEY RETIRES FROM OIL OUTFIT Summary: The Republican candidate retains stock options that are worth millions Dick Cheney, the Republican nominee for vice president, retired from Halliburton Co. with millions of do llars worth of stock options that he cannot cash in ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Digital Gas Names Two New Directors NEW YORK, Aug. 17 /PRNewswire/ -- Digital Gas, Inc. (DIGG - Pink Sheets) today announced tha t Christopher Mothersele, formerly with Gulf Canada Resources Ltd., and Lois McCorriston, fo rmerly with Halliburton Energy Services, have agreed to ...

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08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Cheney Exits Oil Firm With $13.6 Million Deal DALLAS, Aug. 16 -- Republican vice presidential nominee Richard B. Cheney officially left hi s oil services firm today with a generous retirement package that drew criticism from Democr ats and raised eyebrows among compensation experts. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	CHENEY OFFICIAL LEAVES HALLIBURTONS. (The Associated Press Writer) - Republican vice presidential nominee Richard Cheney official ly left oil-services firm Halliburton Co. on Wednesday with a multimillion dollar retirement package that drew criticism from Democrats and a mixed ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	UPDATE 1-Cheney gets retirment package from Halliburton. (Updates with expert quotes in grafs 4-5, recasts lead, adds reaction from Gore campaign, la st graf) AUSTIN, Texas, Aug 16 (Reuters) - Halliburton Co. detailed a retirement package for former chief executive Dick Cheney on Wednesday that ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	RESEARCH ALERT - AG Edwards downgrades Halliburton. NEW YORK, Aug 17 (Reuters) - AG Edwards said Thursday that analyst Poe Pratt downgraded four oil service and drilling companies, while raising the stock rating on one company in the se ctor. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	HALLIBURTON DISCLOSES TERMS OF CHENEY EXIT Halliburton disclosed terms Aug 16 of exit compensation for CEO Dick Cheney, who has resigne d to be vice-presidential running mate with Republican nominee George W. Bush. ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	CAMPAIGN 2000 Cheney Gets $33.7-Million Retirement Deal, Firm Says Dick Cheney, the GOP nominee for vice president, won an early-retirement stock package worth $33.7 million from Halliburton Co., a Texas energy firm where he served for five years as c hief executive, according to figures released by the ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Cheney can't sell retirement options// GOP vice presidential nominee might have to forfei Dick Cheney, the Republican nominee for vice president, retired from Halliburton Co. with mi llions of dollars worth of stock options that he cannot cash in until long after the new adm inistration takes office, the company announced ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	PLATINUM PILLOW Cheney leaves oil firm with $33m stock package Dick Cheney, the GOP nominee for vice preside nt, won an early retirement stock package worth $33.7 million from Halliburton Co., a Texas energy company where he served for five years as chief ...
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Halliburton deepwater team formed / Firm says it will cut wellcompletion time Halliburton will announce today a new deepwater initiative, telling oil companies it will be able to cut 25 percent off the time it takes to go from a discovery to pumping oil, current ly averaging seven years.
08/17/2000	3,153,000	$53.750	(0.4636)	Factiva	Cheney officially collects hefty early-out package Like so many in-the-oil-field services industry in the past year, Dick Cheney on Wednesday p icked up his early-retirement package from Halliburton.

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08/17/2000	3,153,000	$53.750	(0.4634)	Factiva	Cheney's hefty retirement package riles Democrats, surprises experts DALLAS -- Republican vice presidential nominee Richard Cheney officially left his oil-servic es firm yesterday with a generous retirement package that drew criticism from Democrats and raised eyebrows of some compensation experts.
08/17/2000	3,153,000	$53.750	(0.4634)	Factiva	Cheney criticized in retirement deal Stock package worth $33.7M from Texas energy company draws fire from Democrats Dick Cheney, the GOP nominee for vice president, won an early retirement stock package worth $33.7 millio n from Halliburton Co., a Texas energy company where he ...
08/17/2000	3,153,000	$53.750	(0.4634)	Factiva	Cheney's retirement package worth more than estimated Dick Cheney, the GOP nominee for vice president, won an early- retirement stock package wort h $33.7 million from Halliburton, a Texas oil-services company where he served for five year s as chief executive, according to company figures ...
08/17/2000	3,153,000	$53.750	(0.4634)	Factiva	Cheney not allowed to sell his stock options Dick Cheney, the Republican nominee for vice president, retired from Halliburton Co. with mi llions of dollars worth of stock options that he cannot cash in until long after the new adm inistration takes office, the company announced ...
08/17/2000	3,153,000	$52.750	(0.4634)	Factiva	CHENEY LEAVES HIS FIRM, TAKING $13.6M RETIREMENT PACKAGE Republican vice presidential nominee Richard Cheney officially left his oil-services firm We dnesday with a generous retirement package that drew criticism from Democrats and raised eye brows of some compensation experts.
08/18/2000	2,585,400	$52.688	(1.9776)	Factiva	Halliburton Energy Services participates in drilling world record inclinationwell From: Press Release -- August 18, 2000 DALLAS, Texas - Baroid Drilling Fluids, a product ser vice line of Halliburton Energy Services, participated in the successful drilling of one of the world's most extreme inclination wells in the South ...
08/18/2000	2,585,400	$52.688	(1.9776)	Factiva	Cheney leaves Halliburton with generous retirement package HOUSTON (AP) - Republican vice presidential nominee Dick Cheney either will continue to have a large stake in Halliburton Co. or forfeit those holdings in his former company if he wins office, a company official said Thursday. ...
08/18/2000	2,585,400	$52.688	(1.9776)	Factiva	Lehman Brothers Analyst Interviews On RadioWallStreet.com PHILADELPHIA--(BUSINESS WIRE)--August 18, 2000--Today on RadioWallStreet.com, listen to an i nterview with Lehman Brothers Analysts, James Crandell and Angeline Sedita discussing Halliburton Company (NYSE: HAL), Grant Prideco, Inc. (NYSE ...
08/18/2000	2,585,400	$52.688	(1.9776)	Factiva	Sea Patch and Pro Mag Ready for International Trade-Show Debutin Stavanger, Norway FORT WORTH, Texas--(BUSINESS WIRE)--Aug. 18, 2000--21st Century Technologies Inc. (Pink Shee ts:TEXN) today announced that Doug Spring (president), Buren Palmer (chief technology office r) and Don Alford (sales consultant) will depart ...

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08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	HALLIBURTON'S NEW DEEP TEAM Halliburton, the world's largest oilfield service company, has launched a new initiative whi ch could revolutionise deepwater development. The group's president and CEO, Edgar Ortis sai d: "We have formed a cross- functional team of industry ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Halliburton Officer Registers To Sell 100,000 Shares ISSUER: HALLIBURTON CO. SYMBOL: HAL WASHINGTON (FTEN)--Halliburton Co. (HAL) Officer Donald Vaughn registered to sell 100,000 shares of the company's common stock last month, according to a Form 144 released Friday by the Securities ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Petroleumplace stake. Petroleumplace.com, an energy industry portal and online marketplace, has plans to become es tablished as an application service provider after selling a 15% stake in itself to Halliburton Energy Services. Under the deal - which is still ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	POLITICS & SOCIETY - CAMPAIGN 2000 IV: CHENEY SEEKS ANSWER TO CONFLICT-OF-INTEREST CRITIC Republican vice presidential candidate Dick Cheney is "scrambling" to find a way to keep mil lions in stock options and still avoid a potential conflict of interest over the money. ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Cheney retires with $31m. The Republican candidate for US vice-president, Mr Dick Cheney, won an early retirement stoc k package worth $33.7 million from Halliburton Co., a Texas energy company where he served f or five years as chief executive, according to company ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Stocks and Stumps The retirement package awarded by the Halliburton Company to Dick Cheney, the Republican nom inee for vice president, is nowhere near the largest ever given to a chief executive, but it is trailblazing nonetheless. ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	STOCKS AND STUMPS News analysis of $20 million retirement package awarded to Dick Cheney by Halliburton Co. wh ich includes stock option that can only be exercised in December 2001 and December 2002; alt hough stock options are an increasingly popular form of ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Mr. Cheney's Stock Options REPUBLICAN VICE presidential candidate Dick Cheney says he will do "whatever the law require s . . . whatever I need to do to avoid any conflict of interest" arising out of the stock op tions he received on retiring from the oil services firm ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Stock Options Pose Dilemma for Cheney Richard B. Cheney and his lawyers are scrambling to find a solution to a knotty problem that could cost him a fortune: risk political criticism by keeping millions of dollars worth of stock options in the Texas company from which he just ...
08/18/2000	2,585,400	$52.688	(1.977%)	Factiva	Cheney's payoff dilemma - Democratic Convention - US 2000 Election - USA Preside ntial: El Richard Cheney, the Republican candidate for Vice-President, faces an ethical dilemma involv ing millions of dollars over his retirement package from the Texas oil firm he has led for f

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ive years. ...
08/19/2000	2,585,400	852.688	(1.977%)	Factiva	Halliburton Details Cheney Package. Halliburton detailed a retirement package for former chief executive Dick Cheney on Wednesda y that will allow the Republican vice presidential candidate to hold stock options worth sev eral million dollars and retire three years early ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Halliburton, Others Link Up. Halliburton is launching an integrated approach to deepwater development, combining members of its Halliburton Energy Services, Brown & Root Energy Services, and Landmark Graphics unit s. ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Halliburton team pushes field cycle. Oilfield services contractor works in real-time to speed exploitation OILFIELD services gian t Halliburton has launched an ambitious deep-water development initiative with the goal of d elivering a 25% reduction in field development cycle ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Politics pays for Cheney. HALLIBURTON'S ex-boss Dick Cheney has been given a bumper $20 million retirement deal by the service giant's board. According to sources, the offer came on 20 July, five days before Ch eney revealed that he was re-entering politics as George ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Contractor crush for a B&R tie-up. NIGERIAN offshore contractors expect Halliburton subsidiary Brown & Root to move within two months to establish formal joint ventures with local oilfield suppliers in a bid to meet inc reasing government pressure to boost local content o n ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	CHENEY MAY LOSE STOCK DEAL If he's elected vice president, Dick Cheney will either continue to hold part of his large s take in the oil services company he has headed or forfeit it, a company official said Thursd ay.
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Cheney on leave from P&G Republican vice presidential nominee Dick Cheney has taken a leave of absence from the Procto r &Gamble Co.'s board of directors. Cheney also has also taken early retirement from the Ha lliburton Co. with a multamillion dollar retirement ...
08/18/2000	2,585,400	852.688	(1.977%)	Factiva	Results Rockingham Park 3 Add 3rd-$6,800, cl. 3YO up, 1mi 40yd, clear. 1 (1) Halliburton (E.Holmes) 5.40 2.60 2.60 2 (4) Gemawick (J.Hampshire, Jr.) 3.00 2.40 2 (3) Daniel's Affair (T.Hole) 3.20 ...
08/18/2000				Factiva	Analysis: Vice presidential candidate Dick Cheney and his dilemma regarding his multimill JACKI LYDEN, host: George W. Bush campaigned today in Texas and New Mexico before a Sunday o ff. Meanwhile, running mate Dick Cheney faces questions about his retirement package from th e Halliburton Company, where he was chairman until this ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/21/2000	1,837,100	853.438	1.423%	Factiva	Holder Registers HALLIBURTON CO Stock FTBN SOURCE: FORM144 ISSUER: HALLIBURTON CO SYMBOL: HAL FILER: VAUGHN DONALD TITLE: Officer BROKER: PAINEWEBBER INC SHARES REGISTERED: 100000 DATE REGISTERED: 08/19/2000 ...
08/21/2000	1,837,100	853.438	1.423%	Factiva	TNK TO SIGN U.S. LOAN DEALS DURING PUTIN'S VISIT TO WASHINGTON. Russia's Tyumen Oil Company (TNK) will sign the agreements on loans guaranteed by the U.S. E xport-Import Bank during President Vladimir Putin visit to Washington in September. ...
08/21/2000	1,837,100	853.438	1.423%	Factiva	Digital Appoints 2 Directors. Digital Gas on Thursday said that Christopher Mothersele, formerly with Gulf Canada Resource s, and Lois McCorriston, formerly with Halliburton Energy Services, have agreed to serve as directors of the company effective immediately.
08/21/2000	1,837,100	853.438	1.423%	Factiva	Transocean-R&B Falcon Deal Could Spur M&A Activity NEW YORK -(Dow Jones)- Transocean Sedco Forex Inc.'s (RIG) acquisition of R&B Falcon Corp. (FLC) is likely to spur further merger and acquisition activity in the oil-services industry. ...
08/21/2000	1,837,100	853.438	1.423%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 1,945,900 Scientific Atl 80 dn 1/4 6,160,500 Boston Scientific 17 13/16 up 1 7/16 3,864,700 Cabletron Sys 35 3/4 up 25 1/2 7,355,000 Transocean Sedco 53 1/2 dn 4 3/16 625,700 Mallinckro dt Grp 45 5/8 dn 7/16 ...
08/21/2000	1,837,100	853.438	1.423%	Factiva	NYSE Most Actives-Composite Trades 4-6:30 p.m. 1,945,900 Scientific Atl 80 dn 1/4 6,160,500 Boston Scientific 17 13/16 up 1 7/16 3,864,700 Cabletron Sys 35 3/4 up 25 1/2 7,355,000 Transocean Sedco 53 1/2 dn 4 3/16 625,700 Mallinckro dt Grp 45 5/8 dn 7/16 ...
08/21/2000	1,837,100	853.438	1.423%	Factiva	THE $6 MILLION QUESTION ELECTION 2000 POOR Dick Cheney. Since 1995 when he became chief executive and chairman of th e board of Halliburton Co., Mr. Cheney has received $10.7 million in salary, bonuses and oth er compensation. He has also acquired stock options -- ...
08/22/2000	2,687,700	852.563	(1.637%)	Factiva	$5.3-billion acquisition will create deepwater oil and gas drilling giant HOUSTON - Transocean Sedco Forex Inc., already the world's biggest offshore oil-drilling con tractor, said yesterday it had agreed to buy R&B Falcon Corp. in a US$5.3-billion stock deal that will leave it towering over its rivals and make it ...
08/22/2000	2,687,700	852.563	(1.637%)	Factiva	Analysts see uncharted territory in Cheney's retirement package NEW YORK (NYT) -- The retirement package awarded by Halliburton to Dick Cheney, the Republic an nominee for vice president, is nowhere near the largest ever given to a chief executive, but it is trailblazing nonetheless. ...
08/22/2000	2,687,700	852.563	(1.637%)	Factiva	Worlds Largest Offshore Driller Buys Houston-Based Counterpart Transocean Sedco Forex, the world's largest offshore driller when measured by market capital ization, has agreed to pay $5.8 billion in stock for R&B Falcon, a Houston-based company wit

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/22/2000	2,687,700	852.563	(1.6378)	Factiva	h an even larger number of rigs. ...
					US oil drilling firms in $8.8bn merger - Transocean Sedco Forex- Takeover R&B Falcon. TWO major oil drilling contractors joined forces yesterday when Transocean Sedco Forex agree d to buy R&B Falcon for about $5.8 billion ($3.9 billion) in shares and a further $3 billio n in assumed debt. ...
08/22/2000	2,687,700	852.563	(1.6378)	Factiva	Halliburton warns of e-procurement dangers. STAVANGER, Norway, Aug 22 (Reuters) - Internet-based procurement of energy services designed to help multinationals reduce costs, may in some cases work against the industry, an execut ive with U.S. oil services firm Halliburton said on ...
08/22/2000	2,687,700	852.563	(1.6378)	Factiva	Drilling firms to merge / Transocean buying R&B Falcon for $5.8billion Transocean Sedco Forex, the world's largest offshore driller when measured by market capital ization, has agreed to pay $5.8 billion in stock for R&B Falcon, a Houston-based company wit h an even larger number of rigs.
08/23/2000	2,898,600	853.875	2.4978	Factiva	Cheney continues California visit LOS ANGELES (AP) - Mixing fund-raising with photo opportunities, Republican vice presidentia l nominee Dick Cheney was continuing his Southern California swing Wednesday with scheduled stops in Bakersfield and Santa Barbara. ...
08/23/2000	2,898,600	853.875	2.4978	Factiva	Dundee is firm's choice for vessel. THE Port of Dundee has beaten off stiff competition from throughout the UK to land a prestig ious contract with one of the world's leading energy-service companies, it was announced yes terday. ...
08/23/2000	2,898,600	853.875	2.4978	Factiva	CHANGING TIMES FOR SERVICE FIRMS Four main challenges need to be addressed properly if service companies are to survive in an increasingly competitive oil and gas industry. ...
08/23/2000	2,898,600	853.875	2.4978	Factiva	PROSAFE BUYS REGALIA ProSafe has bought the semisubmersible multi service rig MSV Regalia from Halliburton Brown & Root for US $97.3m. The parties have also entered a five-year international participation agreement, which involves use of the rig in the subsea ...
08/23/2000	2,898,600	853.875	2.4978	Factiva	Conflict Resolution: Cheney Has Options For Disposition of HisHalliburton Options Memo to: Dick Cheney, Republican vice presidential nominee Re: Halliburton Co. stock options Ever since your recent nomination, questions have arisen about a potential conflict of inte rest involving the stock options you have in Halliburton ...
08/23/2000	2,898,600	853.875	2.4978	Factiva	Brown & Root Services Receives Contract to Eliminate Russian Inter-Continental Ballistic DALLAS, Aug. 23 /PRNewswire/ -- Brown & Root Services (BRS), a business unit of Halliburton Company (NYSE: HAL), has been awarded a contract by the Defense Threat Reduction Agency (DTR A) to provide integrated project management, integrated ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/23/2000	2,898,600	833.875	2.497%	Factiva	US Oil Inventory Data Supports High Commodity,Stk Prices NEW YORK -(Dow Jones)- U.S. inventory data released by government and industry sources, whic h again shows tight supplies of crude oil, gasoline and distillates, is supportive of highe r oil prices and is likely to drive shares of oil-price ...
08/23/2000	2,898,600	833.875	2.497%	PR News	Brown & Root Services Receives Contract to Eliminate Russian Inter-Continental Ballistic Mis siles
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Halliburton nominated for National Minority Supplier Development Council's2000 Corporatio From: Press Release -- August 24, 2000 DALLAS, Texas - Halliburton Company (NYSE:HAL) has re ceived notification that it has been nominated for the National Minority Supplier Developmen t Council's 2000 "Corporation of the Year" award. The ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Energy sector donations to GOP surged after Bush tapped Cheney WASHINGTON (AP) - The Republican National Committee collected almost $800,000 in unregulated soft money donations from energy companies after George W. Bush tapped Halliburton Co. chie f executive Dick Cheney as his running mate. ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Energy sector donations to GOP surged after Bush tapped Cheney WASHINGTON (AP) - The Republican National Committee collected almost $800,000 in unregulated soft money donations from energy companies after George W. Bush tapped Halliburton Co. chie f executive Dick Cheney as his running mate. ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	RNC Soft Money Donations Surged WASHINGTON (AP) - The Republican National Committee collected almost $800,000 in unregulated soft money donations from energy companies after George W. Bush tapped Halliburton Co. chie f executive Dick Cheney as his running mate. ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Business Brief -- HALLIBURTON CO.: Subsidiary Wins Contract ToDismantle Missiles, Silos Halliburton Co.'s engineering-and-construction subsidiary, Brown & Root Services, has won a Defense Department contract to remove and dismantle Russian intercontinental ballistic missi les and their silos. The project is part of the ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Mr. Cheney's Options Dick Cheney became wealthy at the helm of the Halliburton Company over the past five years. At today's stock price, the value of his shares, restricted shares and vested stock options granted him during his tenure adds up to more than $30 ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	Cheney Has Mixed Record In Business Executive Role In 1998, Dick Cheney pulled off what was widely seen as a business coup. Ending years of fru itless talks, Mr. Cheney arranged a merger between Halliburton, the company he ran, and its chief rival, Dresser Industries, creating the world's ...
08/24/2000	1,616,700	853.125	(1.392%)	Factiva	MR CHENEY'S OPTIONS Editorial criticizes Republican vice presidential candidate Dick Cheney for failing to avoid 'ethical minefield' in negotiating retirement package with oil industry giant Halliburton C

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/24/2000	1,616,700	853.125	(1.3928)	Factiva	e which allows him to keep 400,000 more stock options ...
					THE HALLIBURTON DEAL Jonathan D Kaufelt letter, commenting on August 17 article, says Halliburton Co went too far by giving Republican vice presidential candidate Dick Cheney stock options that would vest during Cheney's possible tenure in office
08/24/2000	1,616,700	853.125	(1.3928)	Factiva	THE 2000 CAMPAIGN: CHENEY HAS MIXED RECORD IN BUSINESS EXECUTIVE ROLE Dick Cheney's record as chief executive of Halliburton, which Gov George W Bush cites as a p lus in a vice presidential candidate, is subject to considerable dispute; some present and f ormer company executives praise him for doubling the ...
08/24/2000	1,616,700	853.125	(1.3928)	Factiva	Energy Sector Donations To GOP Surged After Cheney Tapped WASHINGTON (AP)--The Republican National Committee collected almost $800,000 in unregulated soft money donations from energy companies after George W. Bush tapped Halliburton Co. chief executive Dick Cheney as his running mate. ...
08/24/2000	1,616,700	853.125	(1.3928)	Factiva	Theatre shows power in human-rights drama THIS year's season at the Traverse has done more than any other venue to prove theatre's exp losive powers, writes Rachel Halliburton. In the first two weeks, Kay Adshead's Bogus Woman - which transfers to the Bush in February - shocked and ...
08/24/2000	1,616,700	853.125	(1.3928)	Factiva	Sex, fetishes, booze, drugs and migraine Comedy is king at the Fringe but, as PATRICK KAMMION and RACHEL HALLIBURTON find, there's so mething for everyone A BANNER at Edinburgh's sprawling complex of venues, The Pleasance, boa sts "the best shows you'll never see". However, at ...
08/25/2000	1,554,000	852.688	(0.0264)	Factiva	Balmoral's new contracts boost jobs. A NEW venture rolled out by Aberdeen's Balmoral Group less than six months ago has picked up a clutch of contracts from Cameron Controls, NKT, Halliburton and AMG. ...
08/25/2000	1,554,000	852.688	(0.0264)	Factiva	HEADLINE: Cheney selection spurs energy donations WASHINGTON - The Republican National Committee collected almost $800,000 in unregulated soft money donations from energy companies after George W. Bush tapped Halliburton Co. chief exe cutive Dick Cheney as his running mate.
08/25/2000	1,554,000	852.688	(0.0264)	Factiva	Russia: US company won a tender to manage project of destruction of Russian missiles and Russian Federation: Brown & Root Services (BRS) (USA), a subsidiary of Halliburton Company (USA), won a tender to manage $383 mil US project of destruction of Russian missiles and silo s. This tender was held by DTRA (USA) and BRS was ...
08/25/2000	1,554,000	852.688	(0.0264)	Factiva	Energy firms add 'soft' cash for Bush team The Republican National Committee collected almost $800,000 in unregulated soft-money donati ons from energy companies after George W. Bush tapped Halliburton Co. chief executive Dick C heney as his running mate. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	Cheney Strongly Defends His Record as Chief of Halliburton CENTRAL POINT, Ore., Aug. 24 -- Dick Cheney vehemently defended his work in the oil services business today, bristling at any suggestion that he was less than successful as the chief e xecutive of Halliburton and insisting once more that as ...
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	Energy firms back GOP with huge sums WASHINGTON -- The Republican National Committee collected almost $800,000 in unregulated sof t money donations from energy companies after George W. Bush tapped Halliburton Co. chief ex ecutive Dick Cheney as his running mate. ...
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	Citibank watching over Bonny growth. the Bonny Island LNG plant is already the world's biggest complex with its two existing trai ns Photo: HALLIBURTON US MEGA-lender Citibank has been appointed financial adviser to the Ni geria LNG project for a planned $3 billion plant ...
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	THE 2000 CAMPAIGN: THE RUNNING MATE: CHENEY STRONGLY DEFENDS HIS RECORD AS CHIEF OF HALLI Dick Cheney vehemently defends his work for Halliburton oil services company, bristling at s uggestion he was less than successful as its chief executive; reiterates that he will not al low his retirement package to pose conflict of interest ...
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	MR. CHENEY'S POTENTIAL CONFLICT For the most part, Dick Cheney's retirement package is between him and the Halliburton Co., the Dallas-based energy services firm he headed for five years before accepting the Republic an vice presidential nomination. ...
08/25/2000	1,554,000	$52.688	(0.824%)	Factiva	Energy firms give $800,000 to RNC after Cheney pick WASHINGTON -- The Republican National Committee collected almost $800,000 in unregulated sof t money donations from energy companies after George W. Bush tapped Halliburton Co. chief ex ecutive Dick Cheney as his running mate.
08/26/2000	.	.	.	Factiva	Few Options on Cheney Option Problem Can Dick Cheney find a way to have his money and still avoid a possible conflict of interest over his options to buy stock in the Halliburton Company, which he headed until the Republi can Party chose him as its candidate for vice president ...
08/26/2000	.	.	.	Factiva	Cheney's Predicament Dick Cheney, the Republican vice presidential candidate, will have a hard time ridding himse lf entirely of an economic interest in Halliburton and still holding onto the money from his options to buy stock in the company. And the problem ...
08/26/2000	.	.	.	Factiva	FEW OPTIONS ON CHENEY OPTION PROBLEM Analysis of whether Dick Cheney, Republican nominee for vice president, can find a way to ha ve his money and still avoid possible conflict of interest over his options to buy stock in Halliburton Co, which he headed before becoming nominee ...
08/27/2000	.	.	.	Factiva	Cheney pledges to eliminate any conflict of interest if electedBy Eileen Byrne WASHINGTON, Aug 27 (AFP) - - Republican candidate for vice president Dick Cheney on Sunday sai d he would ensure that, if elected, there would be no conflict of interest arising from his

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					stock options in oil services company Halliburton. ...
08/27/2000	.	.	.	Factiva	DRILLING DEEP FOR ETHICS CHENEY SHOULD CUT ALL TIES TO GAS ANDOIL - NO MATTER WHAT IT COS Dick Cheney has an embarressment of riches. The Republican nominee for vice president assume d that candidacy at the cost of leaving the top job at the Halliburton Co., a Dallas-based p rovider of tools, construction equipment and expertise ...
08/27/2000	.	.	.	Factiva	Investing memo Cheney's benefits Halliburton Co. Chairman Dick Cheney, who formally left the world's bigges t oil services company in mid-August to run as the Republican vice presidential nominee, wil l receive a parting gift of stock and options worth $12 ...
08/27/2000	.	.	.	Factiva	Cheney says won't profit if Halliburton shares rise. WASHINGTON, Aug 27 (Reuters) - Republican vice presidential candidate Dick Cheney promised o n Sunday that if elected he would ensure that he does not benefit from any increase in the v alue of Halliburton shares through options yet to mature ...
08/27/2000	.	.	.	Factiva	Cheney's job as CEO questioned In 1998, Dick Cheney pulled off what was widely seen as a business coup. Ending years of fru itless talks, Cheney arranged a merger between Halliburton, the company he ran, and its chie f rival, Dresser Industries, creating the world's ...
08/28/2000	2,168,900	$53.625	1.779%	Factiva	Transocean to buy R&B Falcon in $6.8 billion deal From: Oil and Gas Journal -- Transocean Sedco Forex Inc will acquire R&B Falcon Corp in a $6 .8 billion deal, allowing it to surpass Baker Hughes Inc as the world's third largest oil fi eld service company behind Halliburton Co and ...
08/28/2000	2,168,900	$53.625	1.779%	Factiva	Peacekeeping missions, criticized by Bush, helped Cheney company WASHINGTON (AP) - The company run until this month by former Defense Secretary Dick Cheney h as reaped more than $2 billion in federal contracts to support U.S. troops on some of the pe acekeeping missions that George W. Bush says have helped ...
08/28/2000	2,168,900	$53.625	1.779%	Factiva	Defense Contracts Glance Some major contracts won by Halliburton Co.'s Brown & Root Services subsidiary to provide lo gistic support services for U.S. troops overseas: ...
08/28/2000	2,168,900	$53.625	1.779%	Factiva	Peacekeeping missions, criticized by Bush, helped Cheney company WASHINGTON (AP) - The company run until this month by former Defense Secretary Dick Cheney h as reaped more than $1.2 billion in federal contracts to support U.S. troops on some of th e peacekeeping missions that George W. Bush says have ...
08/28/2000	2,168,900	$53.625	1.779%	Factiva	Biker 'critical but stable'. A TEENAGE motorcyclist who crashed into a wall while travelling towards Dyce remained in Abe rdeen Royal Infirmary last night. Richard Morrice, of Lindores Place, Fintray, is in a criti cal, but stable condition. Mr Morrice, who works as a ...

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08/28/2000	2,168,500	853.625	1.779%	Factiva	Peacekeeping Helped Cheney Company WASHINGTON (AP) - The company run until this month by former Defense Secretary Dick Cheney h as reaped more than $2 billion in federal contracts to support U.S. troops on some of the pe acekeeping missions that George W. Bush says have helped ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	DICK CHAINEY'S COMPANY TO DISMANTLE RUSSIAN MISSILES. US company Brown & Root Services (BRS) won a tender launched by the US government agency Def ense Threat Reduction Agency for integrated control over the project of dismantling Russian intercontinental cruise missiles and launching silos ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	WHITE HOUSE 2000 - CHENEY: HALLIBURTON ISSUE BURNS ON Dick Cheney, appearing on three morning news shows, said "he can avoid a conflict of interes t over his stock options if he and George W. Bush are elected." Cheney said he would do "whe tever is necessary" to eliminate and conflict of ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	WHITE HOUSE 2000 - CHENEY: HALLIBURTON ISSUE BURNS ON Dick Cheney, appearing on three morning news shows, said "he can avoid a conflict of interes t over his stock options if he and George W. Bush are elected." Cheney said he would do "whe tever is necessary" to eliminate and conflict of ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	Cheney Reviews Stock Options to Avoid Conflict of Interest WASHINGTON--Republican vice presidential candidate Dick Cheney said Sunday that he's examini ng different scenarios to avoid a possible conflict of interest involving Halliburton Co. st ock options worth millions of dollars. ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	Transocean to Buy R&B Falcon in $8.8 billion deal. Transocean Sedco Forex Inc. has agreed to acquire R&B Falcon Corp. in a $8.8 billion deal th at would make it the third-largest oil field service company in the world--behind Halliburto n Co. and Schlumberger Ltd.--as well as the largest ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	TRANSOCEAN SEDCO FOREX BUYS R&B FALCON, CREATES A NEW OIL SERVICE GIANT After months of negotiations, Transocean Sedco Forex Inc. (NYSE: RIG) and R&B Falcon Corp. (NYSE: FLC) agreed to combine as the world's third- largest oil field service company - behin d only Halliburton Co. (NYSE: HAL) and Schlumberger Ltd ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	Conflict, backup plans diminish candidates Cheney's ties to hisold employer and Lieberman That GOP vice presidential candidate Dick Cheney remains financially tethered to the oil com pany he headed prior to entering the race is cause for serious concern. ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	Peace Missions, Criticized By Bush, Helped Cheney's Co. WASHINGTON (AP)--The company run until this month by former U.S. Defense Secretary Dick Chen ey has reaped more than $2 billion in federal contracts to support U.S. troops on some of th e peacekeeping missions that George W. Bush says have ...
08/28/2000	2,168,500	853.625	1.779%	Factiva	Cheney says he'd avoid any conflict from stocks WASHINGTON -- Republican vice-presidential nominee Dick Cheney said Sunday that he can avoid a conflict of interest over his stock options if he and George W. Bush are elected to the W

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					hite House.
08/28/2000	2,168,500	$53.625	1.779%	Factiva	Cheney says he'd avoid any conflict from stocks WASHINGTON -- Republican vice-presidential nominee Dick Cheney said Sunday that he can avoid a conflict of interest over his stock options if he and George W. Bush are elected to the White House.
08/28/2000	2,168,500	$53.625	1.779%	Factiva	CHENEY SAYS HE'LL DEAL WITH STOCK OPTIONS Republican vice presidential candidate Dick Cheney said Sunday he's examining scenarios to avoid a possible conflict of interest involving his retirement stock options. He also conceded that GOP presidential nominee George W. Bush was wrong ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	DEFENSE CONTRACTS Some major contracts won by Halliburton Co.'s Brown & Root Services subsidiary to provide logistic support services for U.S. troops overseas: ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	PEACEKEEPING MISSIONS PROFIT CHENEY COMPANY The company run until this month by former Defense Secretary Dick Cheney has reaped more than $2 billion in federal contracts to support U.S. troops on some of the peacekeeping missions that George W. Bush says have helped run down the ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	Candidate strains to explain $33m payout. REPUBLICAN vice-presidential candidate Dick Cheney is desperately trying to divorce himself from the political implications of a $33 million golden handshake from the oil industry. The Democrats are gleefully calling the payout and stock ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	HEADLINE: Peacekeeping helped Cheney company WASHINGTON - The company run until this month by former Defense Secretary Dick Cheney has reaped more than $2 billion in federal contracts to support U.S. troops on some of the peacekeeping missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	HEADLINE: Peacekeeping helped Cheney company Brown & Root contracts Some major contracts won by Halliburton Co.'s Brown & Root Services subsidiary to provide logistic support services for U.S. troops overseas: 1992-1997 ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	PEACEKEEPING, CRITICIZED BY BUSH, BENEFITS CHENEY WASHINGTON -- The company run, until this month, by former Defense Secretary Dick Cheney has reaped more than $2 billion in federal contracts to support U.S. troops on some of the peacekeeping missions that George W. Bush says have helped ...
08/29/2000	2,617,200	$53.750	0.233%	Factiva	WHITE HOUSE 2000 - CHENEY: DEMS CONTINUE ATTACK ON HALLIBURTONSHARES Dems "blasted" Dick Cheney yesterday "for saying that too many US troops have been sent abroad while running a business that took $2 billion for feeding and housing soldiers." Aides to Al Gore "said Cheney's $20 million stake in ...

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08/29/2000	2,617,200	$53.750	0.2330	Factiva	WHITE HOUSE 2000 - CHENEY: DEMS CONTINUE ATTACK ON HALLIBURTONSHARES Dems "blasted" Dick Cheney yesterday "for saying that too many US troops have been sent abro ad while running a business that took $2 billion for feeding and housing soldiers." Aides to Al Gore "said Cheney's $20 million stake in ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	DEMS RIP CHENEY FOR TURNING $2B PROFIT ON TROOPS WASHINGTON - Democrats blasted GOP vice-presidential candidate Dick Cheney yesterday for say ing too many U.S. troops have been sent abroad while running a business that took in $2 bill ion for feeding and housing soldiers. ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	CASH IN OR PUNCH OUT As Dick Cheney hit the campaign trail last month he received an extremely lucrative send-off from the Halliburton Co., the oil services firm he had run for the past five years. The ret irement package, valued at more than $33 million at ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	PEACE FORAYS HIT BY BUSH AIDED CHENEY FIRM The company run until this month by former Defense Secretary Dick Cheney has reaped more tha n $2 billion in federal contracts to support U.S. troops on some of the peacekeeping mission s that George W. Bush says have helped run down the ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	U.S. Peacekeeping missions a boon to Cheney's former company WASHINGTON -- The company run until this month by former Defense Secretary Dick Cheney has r eaped more than $2 billion in federal contracts to support U.S. troops on some of the peacek eeping missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	CHENEY'S FIRM HELPED BY MISSIONS BUSH CRITICIZED The company run until this month by former Defense Secretary Dick Cheney has reaped more tha n $2 billion in federal contracts to support U.S. troops on some of the peacekeeping mission s that George W. Bush says have helped run down the ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Cheney's firm got big troop contracts WASHINGTON -- The company run until this month by former Defense Secretary Dick Cheney has r eaped more than $2 billion in federal contracts to support U.S. troops on some of the peacek eeping missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Cheney Firm's Projects Are Now Bush Targets / Candidate has pledged to cut similar contra Washington-The company run until this month by former Defense Secretary Dick Cheney has reap ed more than $2 billion in federal contracts to support U.S. troops on some of the peacekeep ing missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Russia: Russian inter-continental ballistic missiles will be eliminated with participatio Russian Federation: Russian inter-continental ballistic missiles (ICBM) will be eliminated w ith participation of Brown & Root Services (BRS) (USA), a business unit of Halliburton Compa ny (USA). The company has been awarded a contract by the ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Cheney reaped rewards of deployments / Halliburton was paid more than $2 billion WASHINGTON - The company run until this month by former Defense Secretary Dick Cheney has re aped more than $2 billion in federal contracts to support U.S. troops on some of the peaceke

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					eping missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Military contracts helped Cheney company Halliburton branch prospered in 1990s WASHINGTON -- The company run until this month by former Defense Secretary Dick Cheney has r eaped more than $2 billion in federal contracts to support U.S. troops on some of the peacek eeping missions that George W. Bush says have helped run ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	CHENEY CASHED IN ON PREZ'S PEACEKEEPERS WASHINGTON - George W. Bush says peacekeeping missions have hurt the U.S. military's combat readiness, but it turns out those deployments have pumped $2 billion into Dick Cheney's form er company.
08/29/2000	2,617,200	$53.750	0.2330	Factiva	CHENEY CASHED IN ON BILL'S PEACEKEEPERS WASHINGTON - George W. Bush says peacekeeping missions have hurt the U.S. military's combat readiness, but it turns out those deployments have pumped $2 billion into Dick Cheney's form er company.
08/29/2000	2,617,200	$53.750	0.2330	Factiva	CHENEY'S COMPANY HAS TIES TO MILITARY PEACEKEEPING LEADS TO $2BIN CONTRACTS The company run until this month by former Defense Secretary Dick Cheney has reaped more tha n $2 billion in federal contracts to support U.S. troops on some of the peacekeeping mission s that George W. Bush says have helped run down the ...
08/29/2000	2,617,200	$53.750	0.2330	Factiva	Bosnia, Kosovo benefitted Cheney WASHINGTON The company run until this month by former Defense Secretary Dick Cheney has reap ed more than $2 billion in federal contracts to support U.S. troops on some of the peacekeep ing missions that George W. Bush says have helped run ...
08/30/2000	2,619,300	$53.063	(1.279%)	Factiva	400 COMPANIES TO TAKE PART IN KIOGE-2000. Officials from 400 companies in 35 countries have expressed interest in attending Kazakhstan 's 8th annual oil and gas exposition, KIOGE-2000, to be held in Almaty October 3-6. The even t is being organized by Iteca, the partner for Britain's ...
08/30/2000	2,619,300	$53.063	(1.279%)	Factiva	Giving the Golden Handshake; Cheney Had Role in Farewell Bonuses for Other CEOs When Richard B. Cheney resigned as chief executive of the oil services firm Halliburton Co. to become the Republican vice presidential nominee, he insisted on being treated like every other executive taking early retirement. No special ...
08/30/2000	2,619,300	$53.063	(1.279%)	Factiva	Stocks Ex-Dividend September 1 Company Amount Amer MuniIncoPort .066 Amer Muni Term Tr .0542 Amer Muni Term II .0517 Amer M uni Term III .0479 Amer Select Port .08 AmStratIncoPort .0725 ...
08/30/2000	2,619,300	$53.063	(1.279%)	Factiva	NYSE Most Actives - Composite Trades 4-6:30 P.M. 4,104,300 Seagrams Co Ltd 61.914 up 3.226 4,678,300 Office Depot 7.500 unch 661,100 Ziff Dav is Inc 11.500 up .500 2,019,500 Medtronic Inc 53.125 up 1.000 783,700 Spherion Corp 12.563 d n .562 5 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/30/2000	2,619,300	$53.063	(1.279%)	Factiva	NYSE Most Actives - Composite Trades 4-6:30 P.M. 4,104,200 Seagrams Co Ltd 61.914 up 3.226 4,670,300 Office Depot 7.500 unch $61,100 Ziff Dav is Inc 11.500 up .900 2,015,500 Medtronic Inc 53.125 up 1.000 783,700 Spherion Corp 12.563 d n .562 S ...
08/31/2000	1,983,400	$53.000	(0.118%)	ABN AMRO Global Re	Halliburton Company: Double-Leveraged to Increase in Spending; Buy
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	For second year in a row, Halliburton wins Prime Supplier Awardfrom HoustonMinority Busin From: Press Release -- August 31, 2000 DALLAS, Texas - The Houston Minority Business Council presented Halliburton Company (NYSE:HAL) with its Prime Supplier Award today during the Cou ncil's annual "Expo 2000," the largest minority business ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	PUBLIC OR PRIVATE, IT'S ALL BUSINESS This column isn't meant to pick on Dick Cheney. So don't blame me if it sounds that way. Che ney used to be secretary of Defense. When he left that job, he was hired by the Halliburton Oil Co. Cheney knew less about the oil business than Jed ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	TRANSOCEAN/R&B MERGER COULD LEAD TO HIGHER DAY RATES After months of negotiations, Transocean Sedco Forex and R&B Falcon have combined to become the world's third-largest oilfield services company - behind only Halliburton and Schlumberg er - worth US $17.7 Bn. ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	CHANGING TIMES FOR THE SERVICE COMPANIES Four main challenges need to be addressed properly if service companies are to survive in an increasingly more competitive oil and gas industry. ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	REFINERY WORKERS CLAIM RACIAL BIAS; BROWN & ROOT LAX, THEY SAY A group of African-American employees of a Halliburton Co. subsidiary have alleged a pattern of racial discrimination at a Belle Chasse refinery in a case pending before arbitrators. ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	ABN-AMRO rates three oil service companies at a buy. CHICAGO, Aug 31 (Reuters) - ABN-AMRO analyst Asit Sen on Thursday initiated coverage on thre e oil service companies - Baker Hughes Inc. , Schlumberger Ltd. , and Halliburton Co. (HAL.N , at a buy rating. ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	Not Just Cheney's Problem The interplay of corporate life and political life was epitomized by Calvin Coolidge's famou s words, "The business of America is business." That line comes freshly to mind as GOP vice-presidential nominee Dick Cheney tries to quiet the ...
08/31/2000	1,983,400	$53.000	(0.118%)	Factiva	Common Cause Calls on Dick Cheney to Pledge to Divest Completely in Halliburton if Electe WASHINGTON, August 31 /U.S. Newswire/ -- In a letter today to Vice Presidential nominee Rich ard Cheney, Common Cause called on the candidate to pledge to divest himself of his stock an d stock options in Halliburton Company prior to taking ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/31/2000	1,983,400	$53.000	(0.1186)	Factiva	Harder he balls, the more he sinks Early last Saturday evening, at the end of a week none too happy for George W. Bush, his operatives placed calls to NBC, CBS and ABC. Dick Cheney was made available for all three Sunday morning network talk shows. Each scheduled the ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Cheney Disclosure Cheney, who was chairman and chief executive of the company, left with millions of dollars worth of stock and options, some of which could not be sold yet. Options allow someone to buy a company's stock at a preset price. ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Cheney Besides his Halliburton stock, Cheney also holds options granted by Procter & Gamble, the giant consumer products company. They also would not take effect until after Inauguration Day. ...
09/01/2000	837,600	$53.625	1.1798	Factiva	CFOS AT THE TOP.(Brief Article) LUCKY MAN. What a way to get a promotion. As soon as his boss, Dick Cheney, was named George W. Bush's Vice Presidential running mate, David J. Lesar, 47, moved into the chairman and CEO spot at Halliburton Co., a leading oilfield-services ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Halliburton CEO Cheney returns to political arena Dallas-based Halliburton Company's chairman of the board and CEO, Dick Cheney, announced on July 25 that he had accepted the invitation of George W. Bush to be Bush's Republican Party vice presidential running mate. ...
09/01/2000	837,600	$53.625	1.1798	Factiva	GOP ticket offers oil allies for White House Oil and gas interests appear set to gain allies in the executive offices in Washington, D.C., with presidential candidate George W. Bush's selection of Halliburton Co. chairman and chief executive Dick Cheney as his vice presidential ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Special Report: from the desk of Oil & Gas Interests' Jodi Wetuski Offshore Driller Consolidation: Transocean-R&B Combination Bumps Baker Hughes As Third-Largest Oil Services Firm After months of negotiations, Transocean Sedco Forex Inc. (NYSE: RIG) and R&B Falcon Corp. (NYSE: FLC) agreed to combine as the ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Allies in the White House Oil and gas interests appear set to gain allies in the executive offices in Washington, D.C., with presidential candidate George W. Bush's selection of Halliburton Co. chairman and chief executive Dick Cheney as his vice presidential ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Petrobras signs $4.5 billion in financing.(Brief Article)(Statistical Data Included) Petrobras aims to invest $4.5 billion in oil and gas operations in the Campos Basin offshore Brazil. The company signed three foreign financing deals for six offshore oil and gas fields. The largest share of the $4.5 billion came from a ...
09/01/2000	837,600	$53.625	1.1798	Factiva	Services giant to focus on upstream, subsea, deepwater with newleader.(Interview) Halliburton CEO: from political to financial Halliburton Chairman and CEO Dick Cheney accepted an invitation to be George W. Bush's vice presidential running mate for the Republican Pa

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rty in the upcoming US presidential elections. David J ...
09/01/2000	837,600	853.625	1.1798	Factiva	Are wired wall composites the way of the future for tubulars?(Fiberspar Inc., Halliburton Taking line pipe to a new level Halliburton and Fiberspar can see a day in the future when w ired tubulars will be the rule rather than the exception. As extended reach drilling and ext ended tiebacks become more common, the advantages of ...
09/01/2000	837,600	853.625	1.1798	Factiva	Cheyney at the helm: At Halliburton, oil and human rights did not mix Dick Cheney, George W. Bush's running mate, is a far cry from the "aw, shucks" kind of Wyomi ng cowboy-- politician painted by Republican strategists. When he was at the helm of the Dal las-based oil services giant Halliburton, Inc., from ...
09/01/2000	837,600	853.625	1.1798	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 9715949934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
09/01/2000	837,600	853.625	1.1798	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 230600 3. Report Type M 4. Company Name Hallib urton Denmark A/S 5. Address Storstrommevej 6 6. Postal Code 6715 ...
09/01/2000	837,600	853.625	1.1798	Factiva	Halliburton Energy Services is understood ... Halliburton Energy Services is understood to be acquiring a 15% stake in PetroleumPlace.com The alliance will enable PetroleumPlace to serve as an application service provider for some of the leading exploration and production software ...
09/01/2000	837,600	853.625	1.1798	Factiva	Tyumen Oil Company has embarked on the full-scale rehabilitation programme for the ... Tyumen Oil Company has embarked on the full-scale rehabilitation programme for the Samotlor field following the issuance of $295mn in guarantees from the US Eximbank, reports the Unite d Financial Group's Russia Morning Comment. According to ...
09/01/2000	837,600	853.625	1.1798	Factiva	Appointments at Republican Party and Lyondell Chemical Company. Halliburton Chairman and Chief Executive Dick Cheney resigned on 16 August to accept George W Bush's invitation to be his Republican Party Vice Presidential running mate. David J Lesar has been named Chairman, President and Chief Executive ...
09/01/2000	837,600	853.625	1.1798	Factiva	Conoco and Halliburton business unit Brown & Root Energy Services Conoco and Halliburton business unit Brown & Root Energy Services have concluded what is sai d to be one of the largest oil and gas industry service and support contracts ever awarded i n the UK. The $150mn, five-year contract, which includes ...
09/01/2000	837,600	853.625	1.1798	Factiva	Kellogg Brown & Root Awarded Asia's Largest Ammonia Debottlenecking Project Kellogg Brown & Root (KBR), a business unit of Halliburton Company, recently signed an agree ment with Yunnan Yuntianhua Co., and its trading agent, the China National Chemical Construc tion Corporation, to provide revamp licensing services ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/01/2000	837,600	853.625	1.1798	Factiva	KELLOGG BROWN & ROOT QUALITY SYSTEM RECOMMENDED FOR CERTIFICATION Kellogg Brown & Root's Quality System was recommended for ISO-9001 certification by the comp any's quality auditor, Lloyd's Register of Quality Assurance (LRQA). The decision followed a company-wide audit and marks the completion of the ...
09/01/2000	837,600	853.625	1.1798	Factiva	David J. Lesar The Halliburton Company s board of directors elected David J. Lesar to the board of director s and named him the company's chairman of the board, president and chief executive officer, replacing Dick Cheney, who accepted the invitation of ...
09/01/2000	837,600	853.625	1.1798	Factiva	Conoco awarded to Halliburton's Brown & Root a $225m contract. . Conoco awarded to Halliburton's Brown & Root a $225m contract, running for five years plus p ossible extensions, covering engineering services for Conoco's southern North Sea gas instal lations. The Theddlethorpe gas terminal and the Leggs ...
09/01/2000	837,600	853.625	1.1798	Factiva	Focus - US - Money talks. Dick Cheney has already proved his use to George W Bush, it would seem. Recent reports said that, when "Dubya" chose Cheney to be his running mate for the presidential election campaig n currently under way in the US, the Republican National ...
09/01/2000	837,600	853.625	1.1798	Factiva	Cheney ready to forfeit some stock options if elected. WASHINGTON, Sept 1 (Reuters) - Republican vice presidential nominee Dick Cheney said Friday he was ready to forfeit some of his stock options from petroleum services company Halliburto n if he is elected in November. ...
09/01/2000	837,600	853.625	1.1798	Factiva	CORRECTED - Cheney ready to forfeit options if elected WASHINGTON, Sept 1 (Reuters) - Republican vice presidential nominee Dick Cheney, trying to d efuse a growing embarrassment, said Friday he was ready to forfeit stock options from petrol eum services company Halliburton if he is elected in ...
09/01/2000	837,600	853.625	1.1798	Factiva	Standardizing e-commerce.(Brief Article) Twelve of the largest oil-field-services firms said they intend to form a joint venture comp any, OFS Portal, to provide customers with a standardized source of electronic catalog and s ervice-agreement information for upstream products and ...
09/01/2000	837,600	853.625	1.1798	Factiva	Paragon Engineering Services.(Brief Article) Paragon Engineering Services President, Ken Arnold purchased Halliburton's 40% share in Para gon, bringing his ownership to 60%.
09/01/2000	837,600	853.625	1.1798	Factiva	Advanced techniques determine casing points while drilling Advanced techniques determine casing points while drilling A new procedure based on detectio n / analysis of "wellbore breathing" lets the operator drill more footage before setting cas ing, while preventing mud loss and well-control problems ...
09/01/2000	837,600	853.625	1.1798	Factiva	Dick Cheney Should Lighten His Parachute APPARENTLY Dick Cheney did such a swell job as the head of the giant Halliburton Co. that th e board of directors decided to reward him with extra shares of company stock when he resign

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ed. He may have been a good CEO, but as an applicant for ...
09/01/2000	837,600	653.625	1.1799	SunTrust Robinson	Halliburton Company
09/02/2000	.	.	.	Factiva	US Republican VP hopeful to give up stock options if elected AUSTIN, Texas, Sept 2 (AFP) - US Republican vice presidential hopeful Dick Cheney will give up stock options he got as part of a lucrative company retirement package if he is elected t o office, according to a written statement released here ...
09/02/2000	.	.	.	Factiva	Cheney's Halliburton stock worth up to $30 million WASHINGTON (AP) - Republican vice presidential nominee Dick Cheney walked away from Halliburton Co. with as much as $30 million in stock and a chance to buy millions of dollars more, r ecords show. ...
09/02/2000	.	.	.	Factiva	Cheney: I'll Forfeit Options WASHINGTON (AP) - Republican vice presidential nominee Dick Cheney walked away from Halliburton Co. with as much as $30 million in stock and a chance to buy millions of dollars more, r ecords show. ...
09/02/2000	.	.	.	Factiva	CHENEY TO FORFEIT HIS STOCK OPTIONS IF HE IS ELECTED Dick Cheney, the Republican vice presidential candidate, said yesterday that if elected, he will forfeit stock options worth about $3.5 million in the energy services company that he l eft to run for office. ...
09/02/2000	.	.	.	Factiva	Cheney ready to give up his stock options WASHINGTON -- Republican vice presidential nominee Dick Cheney, trying to defuse a growing e mbarrassment, said Friday he was ready to forfeit stock options from Halliburton if he is el ected in November. ...
09/02/2000	.	.	.	Factiva	Cheney will forfeit stock Republican vice presidential nominee Dick Cheney, trying to defuse a growing embarrassment, said yesterday he was ready to forfeit stock options from petroleum services company Halliburton if he is elected in November. ...
09/02/2000	.	.	.	Factiva	CHENEY: I'D DUMP OIL-STOCK MILLIONS WASHINGTON - Republican Dick Cheney said yesterday he's "fully prepared to forfeit" millions of dollars in oil-company stock to avoid a conflict of interest if he's elected vice president. ...
09/02/2000	.	.	.	Factiva	Cheney, Trying to Remove Issue, Promises to Forfeit Stock Options WASHINGTON, Sept. 1 -- Dick Cheney, the Republican vice-presidential candidate, said today t hat if elected, he would forfeit stock options worth about $3.5 million in the energy servic es company that he left to run for office. ...
09/02/2000	.	.	.	Factiva	CHENEY, TRYING TO REMOVE ISSUE, PROMISES TO FORFEIT STOCK OPTIONS Republican_Vice-Pres candidate Dick Cheney says that if elected, he-would forfeit stock-opti ons worth about $3.5 million in Halliburton Co. energy services company that he left to run

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					for office; releases tax returns and financial ...
09/02/2000	.	.	.	Factiva	CHENEY'S WAY OUT Gerhard Lenski letter suggests way in which Dick Cheney could solve problem of how he, if el ected, could exercise his options to buy stock in Halliburton Co without having conflict of interest
09/02/2000	.	.	.	Factiva	U.S. SHIP PAYS HIGHEST TOLL FOR PANAMA CANAL PANAMA CITY -- A U.S.-flagged ship, the USNS Red Cloud, paid a record toll of $184,338.39 fo r passing through the Panama Canal, the waterway's administration said Friday. The 950-foot (290-meter) roll- on roll-off vessel beat the previous ...
09/02/2000	.	.	.	Factiva	Cheney Says He'll Forgo Stock Options Republican vice presidential candidate Richard B. Cheney announced that he will forgo future stock options that were worth more than $3.6 million at yesterday's closing market price if he and Texas Gov. George W. Bush are elected in ...
09/02/2000	.	.	.	Factiva	Cheney: I'd Dump Stock Options Washington-Republican vice presidential nominee Dick Cheney said Friday that if he and Georg e W. Bush win in November he is "fully prepared to forfeit" oil-company stock options that h e would otherwise continue to hold. ...
09/02/2000	.	.	.	Factiva	Cheney makes pledge to forfeit stock options WASHINGTON - Dick Cheney, the Republican vice presidential candidate, said Friday that if el ected, he will forfeit stock options worth about $3.5 million in the energy services company that he left to run for office.
09/03/2000	.	.	.	Factiva	THE RIGHT THING /Cheney sets troublesome matter of stock options to rest Republican vice-presidential candidate Dick Cheney has done the right thing in declaring his willingness to give up certain stock options if he were elected. He has said all along that he would do what was necessary to avoid any conflict of ...
09/04/2000	.	.	.	Factiva	What's new around the world...Industry restructuring: Transocean buys R&BFalcon; PanCanad From: Petroleum Intelligence Weekly -- Transocean Sedco Forex's $8.8 billion acquisition of R&B Falcon is set to make the company the third-largest oil services firm worldwide, trailin g Halliburton and Schlumberger. The deal, which will ...
09/04/2000	.	.	.	Factiva	Lost: Perforating Gun Containing High Explosives; $1,000 Rewardfor Return FARMINGTON, N.M., Sept. 4 /PRNewswire/ -- A Halliburton Energy Services field crew returning from a well site in Rio Arriba County, New Mexico lost a Select Fire Jet Perforating Gun of f the back of a company pick-up. The field crew ...
09/04/2000	.	.	.	Factiva	Cheney in golden handshake storm.(Republican vice-presidentialcandidate Dick Cheney's re Republican vice-presidential candidate Dick Cheney's years at oil services firm Halliburton have proved a mixed blessing on the campaign trail. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/04/2000	.	.	.	Factiva	THE LADY IS A TANKER first it was the millions in oil-company contributions. Then came the naming of Dick Cheney, top dog at oil-patch operator Halliburton, as his running mate. Now it's George W. Bush's f oreign-policy counselor and prospective National ...
09/04/2000	.	.	.	Factiva	Worth its weight SMELLING out a few hundred on a valise may be an unjustifiable expense, but now you have the perfect excuse to slip a Zero Halliburton case into your possession. ZH has just launched a diffusion range which includes this sleek laptop case. ...
09/04/2000	.	.	.	PR News	Lost: Perforating Gun Containing High Explosives; $1,000 Reward for Return
09/05/2000	1,905,400	$53.625	0.000%	Factiva	Workers Lose Explosive Device FARMINGTON Halliburton Energy Services offered a $1,000 reward Monday for the recovery of a device with high explosives called a Select Fire Jet Perforating gun lost off the back of a company truck. ...
09/05/2000	1,905,400	$53.625	0.000%	Factiva	STOCK ANSWERS CHENEY SHOULD DIVEST, FOR INTEGRITY'S SAKE GOP vice presidential candidate Dick Cheney didn't look too comfortable on a recent Sunday a s the hosts of the TV political gabfests asked about his seperation package from the Hallibu rton energy company. ...
09/05/2000	1,905,400	$53.625	0.000%	Factiva	Holder Registers HALLIBURTON CO Stock FFBN SOURCE: FORM144 ISSUER: HALLIBURTON CO SYMBOL: HAL FILER: MORRIS GARY V TITLE: Chief Fi nancial Officer BROKER: PAINEWEBBER INC SHARES REGISTERED: 7500 DATE REGISTERED: 09/01/2000 ...
09/05/2000	1,905,400	$53.625	0.000%	Factiva	World-Wide CANDIDATES ROUNDED Labor Day's turn with campaigns firing on all cylinders. Gore and Lieberm an staged a six-state, 27-hour "work-a-thon," visiting job sites and promising to be fighter s for working families. Gore's energetic postconvention ...
09/06/2000	2,821,400	$54.688	1.981%	ABN AMRO Global Re	Halliburton Company - Double-Leveraged to Increase in Spending
09/06/2000	2,821,400	$54.688	1.981%	Factiva	National Oilwell Acquires Wheatley Gaso and Omega Pump Lines HOUSTON--(BUSINESS WIRE)--Sept. 6, 2000--National-Oilwell, Inc. (NYSE:NOI) today announced t hat it has acquired the Wheatley Gaso and Omega pump product lines from Halliburton Company (NYSE:HAL) for approximately $13 million cash. In 1999 ...
09/06/2000	2,821,400	$54.688	1.981%	Factiva	Dreco Energy Services Ltd - National Oilwell acquires WheatleyGaso Mr. Steve Krablin reports National Oilwell has acquired the Wheatley Gaso and Omega pump pro duct lines from Halliburton Company (NYSE: HAL) for approximately $13-million cash. In 1999, the acquired business had revenues of almost $20 ...
09/06/2000	2,821,400	$54.688	1.981%	Factiva	Natl-Oilwell Buys Pump Product Lines From Halliburton HOUSTON -(Dow Jones)-National-Oilwell Inc. (NOI) acquired the Wheatley Gaso and Omega pump product lines from Halliburton Co. (HAL) for about $13 million cash. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/07/2000	1,468,100	953.438	(2.286%)	Factiva	83.5m Jade award. HALLIBURTON Subsea has been awarded a Phillips Petroleum UK contract worth around $3.5m for diving-support vessel services on behalf of the Jade field owners. The scope of work, to be undertaken in several phases, commences later this year ...
09/07/2000	1,468,100	953.438	(2.286%)	Factiva	GAS OUTBREAK COSTS MOL HUF 20 MILLION PER DAY. Controlling the natural gas eruption in Pusztaszolos (southeastern Hungary) cost MOL Hungari an Oil and Gas Company some HUF 18-21 million (USD 61,000-71,000) a day in the initial phase , but substantially less now, managing director Csaba ...
09/07/2000	1,468,100	953.438	(2.286%)	Factiva	400 COMPANIES TO PARTICIPATE IN EIGHTH ANNUAL OIL AND GAS EXPOSITION. 400 companies from 35 countries have expressed interest in participating in Kazakhstan's 8th annual oil and gas exposition - KIOGE-2000. The exposition will be held in Almaty on Octobe r 3-6. The event is being organized by "Itece" (the ...
09/07/2000	1,468,100	953.438	(2.286%)	Factiva	Giving up big bucks Candidates for public office expect to make sacrifices in exchange for the chance to serve. But few, if any, have had to go as far as Republican vice presidential candidate Richard Che ney. ...
09/07/2000	1,468,100	953.438	(2.286%)	Factiva	National-Oilwell Closes Deal. National-Oilwell said Wednesday that it has acquired the Wheatley Gaso and Omega pump produc t lines from Halliburton for about $13 million cash. In 1999, the acquired business had reve nues of almost $20 million. ...
09/08/2000	1,850,200	952.063	(2.573%)	Factiva	Cheney's former company has separate bathrooms for foreigners WASHINGTON (AP) - Citing "cultural differences," the company that GOP vice presidential nomi nee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...
09/08/2000	1,850,200	952.063	(2.573%)	Factiva	Cheney's former company has separate bathrooms for foreigners WASHINGTON (AP) - Citing "cultural differences," the company that GOP vice presidential nomi nee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...
09/08/2000	1,850,200	952.063	(2.573%)	Factiva	Cheney's former company has separate bathrooms for foreigners WASHINGTON (AP) - Citing "cultural differences," the company that Republican vice presidenti al nominee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...
09/08/2000	1,850,200	952.063	(2.573%)	Factiva	Report on Cheney, Bathrooms WASHINGTON (AP) - Citing "cultural differences," the company that GOP vice presidential nomi nee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/08/2000	1,850,200	$52.063	(2.573%)	Factiva	Cheney Says Ready To Forfeit Controversial Options. Stung by criticism of the Republican ticket's ties to Big Oil, US vice presidential hopeful Dick Cheney says he is prepared to forfeit around $3.5 million of unvested stock options fro m oil services giant Halliburton if he is elected in ...
09/08/2000	1,850,200	$52.063	(2.573%)	Factiva	Russian President Vladimir Putin Shows Support for Agreement for US Loan Guarantees to Ty Germany's Commerzbank Provides Loans, Part of Largest Ever Guaranteed by US Export-Import Ba nk to a Russian Company NEW YORK, Sept. 8 /PRNewswire/ -- President Vladimir Putin of Russia today welcomed the signing of ...
09/08/2000	1,850,200	$52.063	(2.573%)	Factiva	Russian President Vladimir Putin shows support for agreement for US loan guarantees to Ty President Vladimir Putin of Russia welcomed the signing of agreements governing portions of a $672 M loan package for Tyumen Oil Co among Russia's top four oil companies. Dallas-based Halliburton Co will use $292 M of the 10-year loans ...
09/08/2000	1,850,200	$52.063	(2.573%)	Factiva	Russian President Vladimir Putin shows support for agreement for US loan guarantees to Ty President Vladimir Putin of Russia welcomed the signing of agreements governing portions of a $672 M loan package for Tyumen Oil Co among Russia's top four oil companies. Dallas-based Halliburton Co will use $292 M of the 10-year loans ...
09/08/2000	1,850,200	$52.063	(2.573%)	Factiva	Halliburton Admits To Separate Restrooms For Foreigners WASHINGTON (AP)--Citing "cultural differences," the company that GOP vice presidential nomin ee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...
09/08/2000	1,850,200	$52.063	(2.573%)	PR News	Business Briefs / Houston &Texas National-Oilwell buys 2 pump lines Houston-based National-Oilwell said Thursday it acquired the Wheatley Gasc and Omega pump lines from Dallas-based Halliburton for $13 million in cash
09/08/2000	1,850,200	$52.063	(2.573%)	PR News	Russian President Vladimir Putin Shows Support for Agreement for US Loan Guarantees to Tyume n Oil
09/09/2000	.	.	.	Factiva	UPDATE: Russian President Vladimir Putin Shows Support for Agreement for US Loan Guarantees to Tyumen Oil
09/09/2000	.	.	.	Factiva	Cheney's former company denies "toilet segregation" WASHINGTON, Sept 9 (AFP) - Former colleagues of Dick Cheney rushed to his defense Saturday a mid new potentially damaging controversy swirling around the aspiring Republican vice presid ent. ...
					CHENEY'S FORMER COMPANY SEGREGATES RESTROOMS OVERSEAS Citing "cultural differences," the company that GOP vice-presidential nominee Dick Cheney he aded for the past five years maintains separate restrooms overseas for its American and fore

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ign employees. ...
09/09/2000	.	.	.	Factiva	CHENEY-LED FIRM HAD SEGREGATED BATHROOMS WASHINGTON -- Citing "cultural differences," the company that GOP vice presidential nominee Dick Cheney headed for the past five years maintains separate restrooms overseas for its Ame rican and foreign employees. ...
09/09/2000	.	.	.	Factiva	CHENEY'S OLD FIRM HAS 2 BATHROOMS: U.S., FOREIGN WASHINGTON -- Citing "cultural differences," the company that GOP vice presidential nominee Dick Cheney headed for the past five years maintains separate restrooms overseas for its Ame rican and foreign employees. ...
09/09/2000	.	.	.	Factiva	Bathrooms are issue in lawsuit / Ex-worker charges bias at Halliburton In an effort to make all of its employees comfortable, Halliburton provides two types of toi lets in Kosovo, those that are familiar to most Westerners and those that Kosovars would fin d familiar.
09/09/2000	.	.	.	Factiva	CHENEY'S EX-COMPANY SEGREGATES RESTROOMS Citing "cultural differences," the company that GOP vice presidential nominee Dick Cheney he aded for the past five years maintains separate restrooms overseas for its American and fore ign employees.
09/09/2000	.	.	.	Factiva	Cheney's old company had separate restroom policy Cheney's old company had separate restroom policy But Halliburton says GOP vice presidential nominee had no knowledge of it By LARRY MARGASAK
09/10/2000	.	.	.	Factiva	LETTERS PAGE Cheney's 'leadership' thoroughly unimpressive Regarding the Aug. 29 article "Cheney's firm f easted on federal contracts": Wake up, you poor fools! I have been unfortunate enough to ser ve under Dick Cheney twice: once while in the Navy ...
09/11/2000	3,331,300	$54.250	4.202%	Factiva	Halliburton and 4th Wave Imaging enter strategic agreement to providereservoir monitoring From: Press Release -- September 11, 2000 HOUSTON, Texas -- Halliburton Energy Services, a b usiness unit of Halliburton Company (NYSE: HAL) today announced that is has entered into a s trategic agreement with 4th Wave Imaging Corporation to ...
09/11/2000	3,331,300	$54.250	4.202%	Factiva	Cheney's former company has separate bathrooms for foreigners WASHINGTON (AP) - Citing "cultural differences," the company that GOP vice presidential nomi nee Dick Cheney headed for the past five years maintains separate restrooms overseas for its American and foreign employees. ...
09/11/2000	3,331,300	$54.250	4.202%	Factiva	Insiders Sell HALLIBURTON CO. Stock FTSN SOURCE: FORM4 ISSUER: HALLIBURTON CO. SYMBOL: HAL FILER: BLURTON JERRY H TITLE: Officer and Treasurer TRANSACTION: Sale 12,000 08/30/2000 $3.44 OWNERSHIP: 25,026 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/11/2000	3,331,300	854.250	4.202%	Factiva	Cheney Sold $35 Million In Halliburton Common Stock In August FFBN SOURCE: SEC 4 ISSUER: HALLIBURTON CO. SYMBOL: HAL WASHINGTON (FFBN)--Republican vice pr esidential nominee and former Halliburton Co. (HAL) Chairman and Chief Executive Dick Cheney sold about $35 million in Halliburton shares in ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	WHITE HOUSE 2000 - CHENEY: FROM THE DOGHOUSE TO THE OUTHOUSE --AND BACK? Dallas Morning News' Gillman reports that "a barrage of bad news" put Dick Cheney "on the de fensive on Friday." First, Dems jumped on a report Cheney hadn't voted in 14 of 16 elections . Then came a report that Halliburton "maintains ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	Tom, Dick and harried Time was when stock options were a big deal, the stuff of digital dreams. Overnight millions ires and billionaires everywhere. But, as we're learning, stock options can be a pain when a ssociated with questions of conflict of interest. It's a ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	AMERICAN EX-IMBANK TO ISSUE FIRST PAYMENT OF CREDIT TO TUMEN OIL COMPANY. The credit to be issued by the Ex-Imbank to Tumen Oil Company totals $672 million. The first installment of the credit will amount to $292 million. The credit will be granted by the Ne w York branch of Commerce Bank. It will be used over a ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	Putin Welcomes Loan Agreement. Russian President Vladimir Putin on Friday welcomed the signing of agreements governing port ions of a $672 million loan package for Tyumen Oil, among Russia's top four oil companies. ..
09/11/2000	3,331,300	854.250	4.202%	Factiva	WILL POPULISM STAY POPULAR? Nothing seemed to be working. Vice-President Al Gore was stuck double digits behind Texas Go vernor George W. Bush through much of the summer. But then Bush chose as his running mate Ri chard B. Cheney, the chairman of oil-services giant ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	RUSSIA'S PUTIN ON HAND AS US EX-IM COMPLETES ONE LOAN TO TYUMENOIL Russian President Vladimir Putin oversaw the signing Sep 9 of a $292-mil loan guarantee by t he US Export-Import Bank to upgrade Tyumen Oil Co's Samotlor field in western Siberia. ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	Cheney Sold $35 Million In Halliburton Common Stock In August WASHINGTON -(Dow Jones)- Republican vice presidential nominee and former Halliburton Co. (HA L) Chairman and Chief Executive Dick Cheney sold about $35 million in Halliburton shares in August through the exercise of company stock options ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	TNK Receives Guarantees from U.S. EXIMBANK. On September 8, Semyon Kukes, president of the TYUMEN OIL COMPANY (TNK), and James Harmon, P resident of the U.S. EXIMBANK, signed a deal providing guarantees for the first tranche of a $672-million credit to TNK. ...
09/11/2000	3,331,300	854.250	4.202%	Factiva	Republicans fear geffen, as Gore gaining on Bush Los Angeles -- Cheney, meanwhile, is likely to stay as far out of sight as possible after a particularly catastrophic week in which it was revealed he has not bothered to vote in 14 of

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					the last 16 elections in Texas, where he has been ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Cheney Sells Off Halliburton Shares ... Cheney Sells Off Halliburton Shares Clinton Wins N.Y. Senate Primary Bush Dismisses 'Nat' Allegation Selma Elects Its 1st Black Mayor House Passes Bill To Honor Slaves ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Cheney Sells Off Halliburton Shares WASHINGTON (AP) - Republican vice presidential candidate Dick Cheney sold 660,000 shares of Halliburton Co. worth about $35 million in August, his spokesman said Tuesday. ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Insiders Sell HALLIBURTON CO. Stock FROM SOURCE: FORM4 ISSUER: HALLIBURTON CO. SYMBOL: HAL FILER: CHENEY RICHARD B TITLE: Chairman of the Board TRANSACTION: Sale 660,000 08/21/2000-08/28/2000 52.28-53.93 OWNERSHIP: 189,800 ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	FROM HALLIBURTON HOUSE OF HORRORS, IT'S BIG TIME Gertrude Kovak, who says she is "89 and a half," sat in her wheelchair at the Methodist seniors home here, up in the front row where she could get a good gander at Dick Cheney. ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Few Firms Share Halliburton Policy On Restrooms Halliburton Co.'s practice of designating separate bathroom facilities for local and American employees is a practice that doesn't appear to be widely shared by other U.S. companies overseas. ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	CHENEY EXERCISED SHARE OPTIONS LAST MONTH Republican vice presidential nominee Dick Cheney sold $35 million in Halliburton Co. shares in August by exercising stock options, according to the Securities and Exchange Commission. ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Cheney sold $35 mln in Halliburton stock in August. WASHINGTON, Sept 12 (Reuters) - Republican vice presidential candidate and former Halliburton Co. Chairman Dick Cheney sold 660,000 common shares, valued at about $35 million, of the oil field services company in August, a recently released ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Does 'Local' Mean Unimportant? The spotty voting record of Republican vice presidential candidate Dick Cheney mirrors the apathetic habits of many voters. Fewer than half of eligible adults bothered to go to the polls in the 1996 presidential election. Turnout plummets ...
09/12/2000	2,529,200	$54.375	0.230%	Factiva	Cheney sells off Halliburton shares WASHINGTON (AP) - Republican vice presidential candidate Dick Cheney sold 660,000 shares of Halliburton Co. worth about $35 million in August, his spokesman said Tuesday. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Cheney sells off Halliburton shares WASHINGTON (AP) - Republican vice presidential candidate Dick Cheney sold 660,000 shares of Halliburton Co. worth about dlrs 35 million in August, his spokesman said. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Cheney Sells Off Halliburton Shares WASHINGTON (AP) - Republican vice presidential candidate Dick Cheney made an $18.3 million profit on the sale of 660,000 shares of Halliburton Co. stock late last month, his spokesman said. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	WHITE HOUSE 2000 - CHENEY: DID I FORGET TO MENTION ... Dick Cheney sold 660K shares in Halliburton for a $18.5M profit in August, according to the SEC (Bloomberg/Houston Chronicle, 9/12). Cheney's sales came before he announced 9/1 that he would forfeit some Halliburton options if he was ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	IN POLITICS Cheney sells oil firm stock, nets $18 million WASHINGTON - Republican vice presidential candidate Dick Cheney has sold 660,000 shares of Halliburton Co. worth about $35 million, his spokesman said Tuesday. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	DICK NETS $18.5M STOCK WINDFALL Republican vice-presidential nominee Dick Cheney turned an $18.5 million profit last month by exercising stock options and selling his stake in his former company, Halliburton Co. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Cheney Has Now Cashed In Most of His Stake in Halliburton Dick Cheney realized a profit of $20.6 million last month as he cashed in most of his stake in the Halliburton Company, which he ran until he left to become the Republican candidate for vice president, he reported to the Securities and ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	THE 2000 CAMPAIGN: THE REPUBLICAN RUNNING MATE: CHENEY HAS NOWCASHED IN MOST OF HIS STAKE Dick Cheney realized $20.6-million profit last month as he cashed in most of stake in Halliburton Company to join George W Bush on Republican presidential ticket; photo; sales came before he announced he will forfeit some stock options if ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	PA. SENIORS HEAR CHENEY Appearance of Republican vice presidential nominee Dick Cheney in Kingston (Pa) is void of controversy that has surrounded him lately, mostly centering around connections to his former companhy Halliburton; photo
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	For Cheney, $18.5 Million Profit on Stock Options Republican vice presidential nominee Richard B. Cheney made an $18.5 million profit last month by exercising stock options in Halliburton Co., the oil services company that he led for five years until his resignation on Aug. 16, according ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	EXIM-BANK USA PROVIDES GUARANTEE TO TNK. An agreement allocating a $627 million credit to the Tyumen Oil Company (TNK) was signed on September 8 in the Russian UN representation in New York. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Cheney faces the heat over oil shares payout. RICHARD CHENEY, the Republican vice-presidential candidate, faced fresh discomfort last nigh t when the extent of his personal wealth was revealed. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Cheney Stock Nets 18.5-Million Profit WASHINGTON -- Republican vice presidential nominee Dick Cheney reaped $18.5 million in profi ts last month by exercising options and selling common stock in Halliburton Co., the world's largest oil services firm. ...
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Campaign 2000 / Cheney's stock netted $18.5 million WASHINGTON - Republican vice-presidential nominee Dick Cheney reaped $18.5 million in profit s by selling common stock in Halliburton Co., where he previously served as chairman and chi ef executive.
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	Ford defends Cheney, rips media during stop Former President Gerald R. Ford said today during a visit to Grand Rapids that Texas Gov. Ge orge W. Bush can overcome his recent campaign stumbles if he keeps to his message of tax cut s and Social Security reform.
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	CHENEY CASHES IN Nets $18.3M on sale of Halliburton stock GOP vice presidential candidate Dick Cheney made $18.3 million in late August from selling s hares of Halliburton Co., the oil company he directed before being picked as George W. Bush' s running mate.
09/13/2000	1,806,100	$52.188	(4.023%)	Factiva	CHENEY CASHES INNets $18.3M on sale of Halliburton stock More Like This
09/14/2000	4,278,100	$51.500	(1.317%)	Factiva	EEG Spectrum International Announces New CEO ENCINO, Calif., Sept. 14 /PRNewswire/ -- The Board of Directors of EEG Spectrum Internationa l, Inc. today announced that Yas Sharif has joined the corporation as Chief Executive Office r. ...
09/15/2000	2,626,900	$52.688	2.306%	Factiva	Seismic snap. HALLIBURTON and 4th Wave Imaging have entered into a strategic agreement to offer 3D time-la pse vertical seismic profile services to oil and gas producers. The agreement will focus on the high resolution, repeatability and rapid reservoir ...
09/15/2000	2,626,900	$52.688	2.306%	Factiva	Mitchell drives these Longhorns The question made Hodges Mitchell pause. He rubbed his head for several moments, then wiped the sweat off his forehead. "You're going to have to ask that question to someone else," Mit chell said, obviously uncomfortable with the topic.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/16/2000	.	.	.	Factiva	HALLIBURTON MISSIONARY BAPTIST WILL PRESENT CONCERT 2000 SUNDAYNIGHT A celebration in song will take place at Halliburton Missionary Baptist Church Sunday night. The sanctuary choir will perform its Concert 2000. The performance is an annual event at Ha lliburton. ...
09/17/2000	.	.	.	Factiva	Bush to stand by his man Cheney Despite Dick Cheney's problems as the Republican vice presidential candidate, George W. Bush plans to campaign with him more rather than hide him for the balance of the campaign.
09/18/2000	1,688,000	$31.000	(3.203%)	Factiva	End of oil age beckons. Crude oil rose seven per cent in mid-September 2000, reaching around $US36 a barrel. Analyst s believe the price will rise even further. High petrol prices have sparked protests in Euro pe and there is the possibility of a 1970's style oil ...
09/18/2000	1,688,000	$31.000	(3.203%)	Factiva	COMMERZBANK WILL PROVIDE $672 MILLION IN GUARANTEED LOANS TO TYUMEN OIL Germany's Commerzbank A.G. will provide $672 million in 10-year loans to Tyumen Oil Co., amo ng Russia's four largest oil entities. The package is the largest ever guaranteed by the Exp ort-Import Bank of the United States to a Russian or ...
09/18/2000	1,688,000	$31.000	(3.203%)	Factiva	SAMEDAN TEAMS WITH MCMORAN IN GULF McMoRan Exploration has partnered with Samedan Oil to help meet obligations in other Gulf of Mexico deals involving Shell, Texaco and oilfield services giant Halliburton. ...
09/19/2000	2,081,800	$30.563	(0.858%)	Factiva	LEADON'S SUBSEA LEADS Kerr-McGee is currently considering bids for subsea work related to its US $700m Greater Lea don floating production project, announced last week (see E&P Daily 13 September). ...
09/19/2000	2,081,800	$30.563	(0.858%)	Factiva	Looking Back u Sept. 12 to Sept. 18. - Oil major Tyumen was given a U.S.-backed $292 million loan to revitalize Siberia's Samotlo r oil field. The 10-year loan, guaranteed by the Export-Import bank of the United States, wi ll let Tyumen Oil Co. buy oil equipment and services ...
09/19/2000	2,081,800	$30.563	(0.858%)	Factiva	RUSSIA Tyumen Oil Co will receive the second tranche of a $672-mil loan backed by the US Export-Imp ort Bank in October, a company spokesman said Sep 18. Cash will be used to finance the moder nization of TOC's refinery at Ryazan, 240km southeast of ...
09/19/2000	2,081,800	$30.563	(0.858%)	RBC Capital Market	HAL:N-;HIGHLIGHTS FROM THE DRW ENERGY CONFERENCE: HALLIBURTON COMPANY
09/20/2000	3,720,400	$48.625	(3.832%)	Factiva	LEADON'S SUBSEA LEADS Kerr-McGee is currently considering bids for subsea work related to its US $700m Greater Lea don floating production project, announced last week (see EOPN 13 September). ...

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09/20/2000	3,720,400	948.625	(3.832%)	Factiva	LEADON'S SUBSEA LEADS Kerr-McGee is currently considering bids for subsea work related to its US $700m Greater Leadon floating production project, announced last week (see EOPN 13 September). ...
09/20/2000	3,720,400	948.625	(3.832%)	Factiva	Cheney Cashed In Halliburton Options Worth $35 Million Richard Cheney recently cashed in options valued at about $35 million in Halliburton & Co., the Dallas oil-services company where he served as chairman and chief executive for five years before stepping down last month to become the GOP ...
09/20/2000	3,720,400	948.625	(3.832%)	Factiva	Bush, Cheney Campaign Turns Spotlight on Dallas-Based Low-Key Oil Firm In the two months since Dick Cheney jumped from the boardroom to the campaign trail, the national media have picked and probed at Dallas-based Halliburton Co., a low-key oil services company. ...
09/20/2000	3,720,400	948.625	(3.832%)	Factiva	Expensive short cut Panama City: United States vessel USNS Red Cloud has paid a record toll of US$184,338.39 for passing through the Panama Canal, the waterway's administration said. The 290-metre, roll-on roll-off vessel beat the previous record by US$226 ...
09/20/2000	3,720,400	948.625	(3.832%)	Factiva	Baker Hughes to Sell E&P Holdings in Effort To Cut Debt by $1 Billion. Baker Hughes will sell its exploration and production (E&P) properties in an effort to shed $1 billion of debt by the end of 2001 and improve its performance against its peers, new company Chairman, President, and Chief Executive Michael ...
09/20/2000	3,720,400	948.625	(3.832%)	Factiva	RUSSIA Victory Oil has agreed to pay $33.5-mil for a 25% stake in the Stimul joint venture between the US' Avalon Oil and Russia's Gazprom developing Russia's Orenburg oil and gas fields, Victory said Sep 19. Victory, a Dutch-based company, also ...
09/21/2000	4,869,300	947.563	(2.183%)	Factiva	Artist seeks subsea inspiration. HALLIBURTON Subsea's remotely operated vehicles are to be immortalised in artwork by Roxane Permar. As part of Scotland's Year of the Artist programme, Ms Permar has been studying the ROV for a show to run in Aberdeen Maritime Museum in ...
09/22/2000	2,586,100	947.063	(1.053%)	Factiva	ONE ON ONE.(Jim Scotti, Haliburton Co. procurement vice-president)(Interview) Jim Scotti, a company officer, is vice president of procurement and materials for Halliburton Company, a $16 billion revenue organization serving the energy services, engineering and construction, and manufacturing industries. A registered ...
09/22/2000	2,586,100	947.063	(1.053%)	Factiva	Oil connections. In contrast with the stiff, intellectually-inclined Vice-President Al Gore, his Democratic party opponent, Bush served up easy solutions and kept the rhetoric vague. There were early gaffes on foreign names and places, which made him more ...
09/22/2000	2,586,100	947.063	(1.053%)	Factiva	Chevron ship salute to top republicans. Republican presidential hopeful and Governor of Texas George W Bush's links with oil industry are well known. After all, his running mate Dick Cheney was until recently head of Hallibu

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rton. ...
09/22/2000	2,586,100	847.063	(1.0535)	Factiva	Worker shortage proves costly / Halliburton official cites it as factor in company's risi SAN FRANCISCO - Halliburton Co., the world's largest oil-field services company, is seeing i ts costs rise because of a labor shortage in the United States, Chief Financial Officer Gary Morris said.
09/23/2000	.	.	.	Factiva	How suave sheiks of OPEC inspired Europe's tax revolt: Truckers, farmers show oil and pol After the chaos and crises of the Arab Oil Boycott in 1973, Mideast moderates such as Saudi Arabia's Sheik Yahmani and the Shah of Iran agreed on a new dictum: "Oil and politics don't mix." ...
09/23/2000	.	.	.	Factiva	A CRUDE POLITICAL PLOY After Al Gore went public with the idea, President Clinton tapped the Strategic Petroleum Re serve to cut winter fuel bills. That's a bad idea, and, worse, it probably won't work. ...
09/23/2000	.	.	.	Factiva	Democrats Lash Back at Cheney on Oil COUNCIL BLUFFS, Iowa, Sept. 22 -- As the Republicans renewed their attacks on Vice President Al Gore over his plan to tap the nation's oil reserves, Mr. Gore's aides fought petroleum w ith petroleum today. They released news accounts from ...
09/24/2000	.	.	.	Factiva	Did Cheney Pass His Own Test?; Questions on Voting, Stock Options Topped His Screening Li In the days after Texas Gov. George W. Bush chose him as his presidential running mate, form er defense secretary Richard B. Cheney was confronted with a number of predictable questions --had he voted in recent elections and how would he ...
09/25/2000	3,007,100	846.750	(0.6648)	Factiva	NATURAL GAS OUTBREAK COSTS MOL HUF 20 MILLION PER DAY. Controlling the natural gas eruption in Pusztaszoles (southeastern Hungary) cost MOL Hungari an Oil and Gas Company some HUF 18-21 million (USD 61,000-71,000) a day in the initial phase , but substantially less now, managing director Csaba ...
09/25/2000	3,007,100	846.750	(0.6648)	Factiva	US ELECTIONS 2000-Cheney - Oil release threatens U.S. Washington, Sep 25 (PPI) US Republican party candidate for Vice President Richard B. Cheney says the Clinton administration's new plan to release crude oil from the Strategic Petroleum Reserve could threaten national security. "Our problem ...
09/29/2000	3,007,100	846.750	(0.6648)	Jefferies & Compan	Halliburton Company: Halliburton raised to Buy from Accumulate after 14% pull back in stock
09/26/2000	1,915,500	847.625	1.8729	Factiva	WHO UPPED OIL PRICES? When Texas Gov. George W. Bush named Dick Cheney to be his runningmate last July, Democrats and their major media cheering squads jumped all over the new nominee for calling for higher oil prices in 1999 when he headed up Halliburton Co ...
09/26/2000	1,915,500	847.625	1.8729	Factiva	Homestretch Dick Cheney, criticized by Democrats for his oil-industry ties, fires back at Al Gore, charg ing the vice president with conflict of interest over his family's Occidental Petroleum Corp

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					. stock. Campaigning in Ohio, Mr. Cheney said that Mr ...
09/26/2000	1,915,500	847.625	1.8726	Factiva	Russia: Tyumen Oil Company was granted a $334 mil loan. Russian Federation: Tyumen Oil Company (TNK) (Russia) said Commerzbank AG (Germany) granted it a $334 mil loan, $292 mil of which is guaranteed by the Export-Import Bank of the USA. Th is loan is part of a larger 10-year package - which ...
09/27/2000	2,851,200	848.688	2.2316	Factiva	TNK, U.S. EXIMBANK SIGN AGREEMENT ON FIRST TRANCHE OF $672 MLN/LOAN. Head of Russia's Tyumen Oil Company (TNK) Simon Kukes and head of the Export-Import Bank of the United States James A. Harmon have signed an agreement in New York at the United Nations , to provide guarantees on the first tranche of a $672 ...
09/27/2000	2,851,200	848.688	2.2316	Factiva	BUSH, CHENEY: ALL OILED UP Recently retired Texas oilman Dick Cheney is furious with the Clinton-Gore administration fo r tapping the nation's strategic oil reserve in order to ensure that American families will have access to affordable home heating oil this winter. ...
09/28/2000	1,811,100	848.625	(0.1288)	Factiva	Is Cheney a match for Lieberman for No. 2? Tune in In a sense, both major party candidates for vice president are hedging their bets this year. After the special circumstances of his retirement package from Halliburton Co. became an em barrassment to the campaign, Republican Dick Cheney ...
09/29/2000	2,122,900	848.938	0.6438	Factiva	CONTRACT WITH FOREIGN COMPANY ON RETRIEVAL OF KURSK CREW TO BE SIGNED SHORTLY. MOSCOW, Sept 29 (Interfax) - The St. Petersburg-based military design bureau Rubin and a for eign company will sign a contract concerning work on retrieving the bodies still aboard the ill-fated nuclear submarine Kursk this coming Saturday ...
09/29/2000	2,122,900	848.938	0.6438	Factiva	Skills gap pushes up US wages. SALARY costs in North America are predicted to rise 6% to 7% in the next budget year as the industry grapples with a growing employment crisis, writes Keri Mitchell. ...
09/29/2000	2,122,900	848.938	0.6438	Factiva	US firm likely to lift bodies from Kursk. MOSCOW, September 29 (Itar-Tass) - Russian Deputy Prime Minister Ilya Klebanov heading the g overnment commission to investigate the Kursk nuclear submarine disaster does not rule out t hat the contract to recover the submariners' bodies from ...
09/29/2000	2,122,900	848.938	0.6438	Factiva	Longhorns need to run well Saturday It wasn't that long ago that University of Texas football fans suffered through the Longhorn s' awful read-and-react scheme. Remember? The Longhorns' defenders read the play, then react ed to it by making half-hearted, easily broken arm ...
09/29/2000	2,122,900	848.938	0.6438	Factiva	CONTRACT ON SUNKEN RUSSIAN SUB MAY BE SIGNED WITH HALLIBURTON COMPANY ST. PETERSBURG, Sept 29 (Interfax Northwest) - It has not been ruled out that contract on th e launch of an international operation to recover the bodies of sailors from the Kursk nucle ar submarine may be signed in St. Petersburg on October ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/30/2000	.	.	.	Factiva	Cheney starts debate preparations JACKSON, Wyo. (AP) - Dick Cheney tapped former aides from his days in Congress and at the Pe ntagon to coach, advise and critique him during intensive weekend preparations for his vice presidential debate Thursday with Democratic rival ...
09/30/2000	.	.	.	Factiva	Cheney Starts Debate Preparations JACKSON, Wyo. (AP) - Dick Cheney tapped former aides from his days in Congress and at the Pe ntagon to coach, advise and critique him during intensive weekend preparations for his vice presidential debate Thursday with Democratic rival ...
09/30/2000	.	.	.	Factiva	Oil and gas investors should ignore the Gore War: Democrats take aim at Cheney. Big Oil & Oil has not been a big political issue in a long time. It's back. In last week's column I co nsidered the way it effects politics in the U.S., Britain, and Euroland, and the implicatio n for investors. ...
09/30/2000	.	.	.	Factiva	Transocean Gets Bigger. Already the world's largest offshore drilling contractor, Transocean Sedco Forex has agreed to buy US rival R&B Falcon for $8.8 billion in stock and assumed debt in a move that will ma ke it the third-largest oil services company in the ...
10/01/2000	.	.	.	Factiva	Cheney will put Halliburton stock in blind trust, if he wins Republican vice presidential candidate Dick Cheney says he will put the stock options from h is lucrative exit package at Dallas-based Halliburton Co. into a blind trust if he is electe d to the White House next month as the running mate of ...
10/01/2000	.	.	.	Factiva	PEOPLE * Dr. Thomas Zacharia has been named deputy associate lab director for high-performance comp uting at Oak Ridge National Laboratory. Zacharia will lead the development and implementatio n of the federal lab's computing strategy. Zacharia also ...
10/01/2000	.	.	.	Factiva	Transocean Rounds Out Its Service Offerings With the R&B FalconDeal In a deal that bolsters its industry-leading position in deep-water offshore oil and gas dri lling and rounds out its service offerings, Transocean Sedco Forex Inc. has agreed to buy ri val R&B Falcon Corp. in a transaction valued at $5.3 ...
10/01/2000	.	.	.	Factiva	Halliburton Energy Services. Halliburton Energy Services entered into an agreement with 4th Wave Imaging Corporation to p rovide 3D time-lapse vertical seismic profile services to oil and gas producing companies.
10/01/2000	.	.	.	Factiva	Expendable tubing experience underway on low-risk wells. Learning curve should be steep Expendable tubing could lead to significant reductions in glo bal well construction costs, according to the Shell/Baker Hughes joint venture, (e.sup.2)TEC H. Shell had been working on the fundamentals of the ...
10/01/2000	.	.	.	Factiva	Company Profile for - Halliburton AS. 1. Transaction-Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4058 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/01/2000	.	.	.	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 230600 3. Report Type M 4. Company Name Halliburton Denmark A/S 5. Address Storstromsvej 6 6. Postal Code 6715 ...
10/01/2000	.	.	.	Factiva	Jade contract award for Halliburton Subsea. Halliburton Subsea, a division of the company's Brown & Root Energy Services, has announced that it has been awarded a contract worth around 43.5mn for diving support vessel services by Phillips Petroleum on behalf of the North Sea Jade ...
10/01/2000	.	.	.	Factiva	US election - Pouring oil on political waters. Big Oil moved to centre stage in the US elections with the nomination of Dick Cheney, CEO of Halliburton, as the Republican Party's Vice Presidential candidate. Judith Gurney reports. ...
10/01/2000	.	.	.	Factiva	Halliburton Energy Service.(creates magnetic resonance imaginglogging team)(Brief Article Halliburton Energy Services established a team of experts in magnetic resonance imaging logging to further enhance its ongoing work in nuclear magnetic resonance (NMR) services.
10/01/2000	.	.	.	Factiva	Companies in the news WellBid, Inc., and eNeraction combined the companies under the name Wellogix, Inc. Halliburton Energy Services established a team of experts in magnetic resonance imaging logging to further enhance its ongoing work in nuclear magnetic ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Operation to recover Kursk bodies to begin on Oct 18 SAINT PETERSBURG, Oct 2 (AFP) - The grim task of recovering the crew's bodies from the sunken Kursk nuclear submarine will begin on October 18, the vessel's Russian manufacturer said Monday. ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Who's right about oil? On 20 September 2000, Al Gore advocated the release of oil from the United States' Strategic Petroleum Reserve. Gore is the Democratic Party's presidential candidate. The Clinton administration released 30m barrels, saying it needed to do ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Russian, Norwegian companies sign agreement on raising Kursk ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of the U.S. Halliburton oil services company on Monday won a contract to help recover the remains of the 118 seamen who died in the explosion and sinking of the nuclear submarine Kursk ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Russian, Norwegian companies sign agreement on raising bodies from Kursk ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of the U.S. Halliburton oil services company won a contract Monday to help recover the remains of the 118 seamen who died in the explosion and sinking of the nuclear submarine Kursk. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Russian, Norwegian firms sign pact to raise bodies from Kursk ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of a U.S. oil services company won a contract Monday to help recover the remains of the 118 seamen who died in the sinking of the Russian nuclear submarine Kursk. ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	US company to retrieve Russian Kursk bodies. The Russian authorities have agreed that a US company will mount an operation to retrieve th e bodies of the Kursk submariners who died when the nuclear submarine sank in August, a Russ ian navy source said on Monday, according to Interfax ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Co. To Recover Bodies From Kursk ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of a U.S. oil services company won a contract Monday to help recover the remains of the 118 seamen who died in the sinking of the Russian nuclear submarine Kursk. ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	CONTRACT ON RETRIEVING BODIES OF KURSK SUBMARINERS TO BE SIGNEDWITH HALLIBURTON. ST. PETERSBURG, Oct 2 (Interfax-Northwest) - The Rubin Central Naval Design Bureau in St. Pe tersburg and the Norwegian office of the Halliburton Corp. will sign a contract at 4:25 p.m. Moscow time on Monday. ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	CONTRACT SIGNED WITH HALLIBURTON TO REMOVE THE CREW FROM KURSKSUBMARINE. CONTRACT SIGNED WITH HALLIBURTON TO REMOVE THE CREW FROM KURSK SUBMARINE.[RU ASIA EUROPE CEU EMRG AA DIS NO].
10/02/2000	2,320,700	$50.375	2.937%	Factiva	A CONTRACT HAS BEEN SIGNED IN ST. PETERSBURG ... A CONTRACT HAS BEEN SIGNED IN ST. PETERSBURG WITH THE NORWEGIAN OFFICE OF THE AMERICAN HALLI BURTON COMPANY TO REMOVE THE DECEASED CREW FROM THE KURSK NUCLEAR-POWERED SUBMARINE - A SOUR CE IN THE RUSSIAN NAVY STAFF.[AA].
10/02/2000	2,320,700	$50.375	2.937%	Factiva	RUSSIAN NAVY HOPING FOR SUCCESS OF KURSK CREW RECOVERY TALKS. ST.PETERSBURG, October 2 (AVN) - The Russian Navy Staff is still hoping for success of the o ngoing talks with Norway's Halliburton oil corporation concerning the recovery of the sunken Kursk submarine crew, a high-ranking officer of the ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	RUSSIA, NORWAY SIGN CONTRACT ON KURSK CREW RECOVERY OP. ST.PETERSBURG, October 2 (AVN) - Russia's Rubin central naval equipment design bureau and No rway's Halliburton AS corporation on Monday signed a contract on joint participation in the recovery of the sunken Kursk submarine crew, the Rubin ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Russia signs up U.S. company to raise Kursk bodies. ST PETERSBURG, Russia, Oct 2 (Reuters) - Russia signed a deal with an American company on Mo nday to recover at least some of the bodies of the 118 sailors who died when the submarine K ursk plunged to the bottom of the Arctic ocean in August ...
10/02/2000	2,320,700	$50.375	2.937%	Factiva	Russian, Norwegian Companies Sign Pact To Recover Kursk Remains ST. PETERSBURG (AP)--The Norwegian subsidiary of the U.S. Halliburton oil services company (HAL) on Monday won a contract to help recover the remains of the 118 seamen who died in the

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					explosion and sinking of the nuclear submarine Kursk. ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	RUSSIA TO SIGN CONTRACT WITH HALLIBURTON TO LIFT DEAD SAILORS FROM KURSK SUBMARINE. Ilya Klebanov, the Deputy Prime Minister and Chair of the governmental commission investigating the Kursk submarine accident, announced that a contract to lift the bodies of the dead sailors from the submarines might be signed on September ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	Examining all the options Through the final decade of the 20th century a trend became apparent whereby service contractors were required to include financing offers with bids for internationally tendered projects, especially relating to oil and gas. Traditionally, ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	Subsidiary of Cheney's Halliburton to raise bodies from Kursk ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of a U.S. firm run until recently by Dick Cheney will help recover the remains of the 118 seaman who died in the sinking of the Russian nuclear submarine Kursk. ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	OPERATION FOR RETRIEVING CREW REMAINS FROM KURSK SET TO BEGIN OCT 18. ST. PETERSBURG. Oct 2 (Interfax-Northwest) - An operation for the retrieval of the bodies of the crew of the sunken submarine Kursk is set to begin on October 18, general designer of the central marine technology bureau Rubin, Igor Spassky ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	RUSSIA TO WORK WITH HALLIBURTON COMPANY IN RETRIEVING REMAINS FROM SUNKEN SUB. ST. PETERSBURG. Oct 2 (Interfax) - General Director of Russia's main military design bureau Rubin, Igor Spassky, and Norwegian representatives of the U.S. company Halliburton, on Monday inked a contract in St. Petersburg concerning a joint ...
10/02/2000	2,320,700	850.375	2.937%	Factiva	RUBIN DESIGN BUREAU AND HALLIBURTON COMPANY INK DEAL ON OPERATION TO RETRIEVE KURSK CREW ST. PETERSBURG. Oct 2 (Interfax-Northwest) - A contract on the operation for retrieving the remains of the crew of the sunken nuclear submarine Kursk was signed in St. Petersburg on Monday, it was announced at a press conference at the ...
10/03/2000	1,997,200	849.625	(1.489%)	Factiva	RUSSIA U.S. COMPANY WILL RETRIEVE KURSK'S CREW Russia signed a high-risk, high-profile contract Monday with Halliburton Co., the Dallas-based energy services giant formerly headed by GOP vice-presidential candidate Dick Cheney, to retrieve the bodies of sailors who died aboard the Kursk ...
10/03/2000	1,997,200	849.625	(1.489%)	Factiva	GeoMechanics International Announces Strategic Alliance with Landmark PALO ALTO, Calif.--(BUSINESS WIRE)--Oct. 3, 2000--GeoMechanics International, Inc. (GMI), today announced that it has entered into a strategic alliance with Landmark Graphics, a wholly owned business unit of Halliburton Company (NYSE: HAL ...
10/03/2000	1,997,200	849.625	(1.489%)	Factiva	U.S. Firm to Retrieve Russian Sub ST. PETERSBURG, Russia (AP) - The Norwegian subsidiary of a U.S. firm run until recently by Dick Cheney will help recover the remains of the 118 seamen who died in the sinking of the Russian nuclear submarine Kursk. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	Caption only: Step toward crew retrieval Igor Spassky, head of the bureau that designed the Kursk nuclear submarine that sank off Nor way in August, speaks near model of ship in St. Petersburg, Russia. The Norwegian subsidiary of U.S. Halliburton oil services won a contract to help ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	U.S. FIRM HIRED TO RAISE SUB VICTIMS Russia signed a high-risk, high-profile contract on Monday with Halliburton Co., the Dallas-based energy services giant formerly headed by GOP vice presidential candidate Dick Cheney, to retrieve the bodies of sailors who died aboard the ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	U.S. company to recover Kursk victims' bodies St. Petersburg -- Russia signed a deal with an American company yesterday to recover at leas t some of the bodies of the 118 sailors who died when the submarine Kursk sank to the bottom of the Arctic ocean in August. ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	Sub mission. A US company has won a contract to help recover the remains of the 118 seamen who died in th e explosion and sinking of the Russian nuclear submarine Kursk. ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	Halliburton to Assist in Recovery of Sunken Russian Sub Halliburton Co. of Dallas will help Russian authorities recover the remains of the sunken nu clear submarine Kursk and its seamen. The state-owned Russian contractor that designed the K ursk awarded the contract to Halliburton's Norwegian ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	ProSafe wins contract to assist in retrieving bodies from Kursk The Norwegian offshore services company ProSafe ASA has been awarded a contract to assist in the retrieval of the bodies from the sunken Russian submarine Kursk. ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	Halliburton wins contract to retrieve bodies from Kursk The contract for retrieving the bodies of the dead sailors from the sunken Russian submarine Kursk has been awarded to the US company Halliburton. ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	CHENEY FIRM TO RETRIEVE KURSK DEAD Russia has signed a deal with Dick Cheney's former company to help recover the bodies of the 116 sailors lost in the submarine Kursk. The Russian firm that designed the Kursk came to t erms with Halliburton Co. after breaking off ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	DEAL MADE FOR SUB RECOVERY ST. PETERSBURG, Russia -- Russia signed a deal with an American company Monday to recover at least some of the bodies of the 118 sailors who died when the submarine Kursk plunged to th e bottom of the Arctic Ocean in August. The deal with ...
10/03/2000	1,997,200	849.625	(1.4894)	Factiva	RUSSIA HIRES U.S. FIRM TO RETRIEVE SUB VICTIMS Russia signed a high-risk, high-profile contract yesterday with Halliburton Co.,-the Dallas-based energy services giant formerly headed by GOP vice-presidential candidate Dick Cheney,

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					to retrieve the bodies of sailors who died aboard the ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Landmark and Petrobras in Colombia Sign Agreement For E&P DataManagement Rationalization - Agreement Designed to Increase Integration Of Drilling, Production and E&P Systems - DALLAS, Oct. 3 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Landmark and 4th Wave Imaging Sign Agreement to Develop 4-D Seismic Solutions For Reservo - New Tools Support and Improve Reservoir Management - DALLAS, Oct. 3 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced the signing of a multiyear agreement with ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Landmark Graphics Announces Agreement To Incorporate New Geostatistical Module from (RC)2 Geostatistical Simulation Module Will Enhance Stratamodel Application? DALLAS, Oct. 3 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced that it has signed a ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Landmark Graphics and Network Appliance Expand Their PartneringRelationship - Joint Agreement Will Lead to Improved Customer Workflow Efficiency - DALLAS, Oct. 3 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced its intent to expand its ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	News Briefs Halliburton subsidiary will retrieve Kursk bodies ST. PETERSBURG, Russia - The Norwegian subsidiary of a U.S. oil services company won a contract Monday to help recover the remains of the 118 seamen who died in the sinking of the Russian ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	HALLIBURTON UNIT TO HELP RECOVER BODIES FROM KURSK Russia signed a deal with a U.S. company Monday to recover at least some of the bodies of the 118 sailors who died in the Kursk submarine disaster in August. ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Russia, Norwegian companies sign to raise Kursk. ST. PETERSBURG: The Norwegian subsidiary of theU.S. Halliburton oil services company on Monday won a contract to help recover the remains of the 118 seamen who died in the explosion and sinking of the nuclear submarine Kursk. ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	ProSafe to rent out vessel to Halliburton. OSLO, Oct 3 (Reuters) - Norwegian offshore services company ProSafe said on Tuesday that it had signed a deal with U.S. oil firm Halliburton Co to rent out a vessel to help retrieve the bodies of the Russian submarine which sank in the ...
10/03/2000	1,997,200	$49.625	(1.489%)	Factiva	Halliburton uses latest equipment in its mission on Kursk. The Halliburton company declared on Tuesday that it will use the latest modern equipment in the planned operation to remove the bodies of dead marines from the sunken submarine, the company spokesmen, Birger Haraldseide, told Iter-Tass on ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/03/2000	1,997,200	849.625	(1.4898)	Factiva	Halliburton urges to step up removal of bodies from Kursk. Director of the Information department of the Halliburton Corporation Birger Nereldseid told Itar-Tass on Tuesday that an operation to lift the bodies of dead Russian mariners from the Kursk submarine must begin as soon as possible. ...
10/03/2000	1,997,200	849.625	(1.4898)	Factiva	U.S. Firm Hired to Retrieve Bodies of Sub Crew Russia: Halliburton, formerly headed by Di MOSCOW -- Russia signed a high-risk, high-profile contract Monday with Halliburton Co., the Dallas-based energy services giant formerly headed by GOP vice presidential candidate Dick C heney, to retrieve the bodies of sailors who died aboard ...
10/03/2000	1,997,200	849.625	(1.4898)	Factiva	Texas company to survey Kursk, retrieve bodies / Russia contracts with Halliburton for Ni MOSCOW - Russia signed a high-risk, high-profile contract Monday with Dallas-based Halliburt on Co. to retrieve the bodies of sailors who died aboard the Kursk nuclear submarine when it sank under mysterious circumstances Aug. 12.
10/03/2000	1,997,200	849.625	(1.4898)	Factiva	Halliburton hired to pull bodies off sub -- THE U.S. FIRM will take on a risky mission that may yield few victims' remains, and which faces opposition from relatives who would rather see the money spent on survivors.
10/03/2000	1,997,200	849.625	(1.4898)	PR News	Landmark and Petrobras in Colombia Sign Agreement for E&P Data Management Rationalization an d Integration
10/03/2000	1,997,200	849.625	(1.4898)	PR News	Landmark Graphics Announces Agreement To Incorporate New Geostatistical Module from (RC)2
10/03/2000	1,997,200	849.625	(1.4898)	PR News	Landmark and 4th Wave Imaging Sign Agreement to Develop 4-D Seismic Solutions For Reservoir Monitoring
10/03/2000	1,997,200	849.625	(1.4898)	PR News	Landmark Graphics and Network Appliance Expand Their Partnering Relationship
10/03/2000	1,997,200	849.625	(1.4898)	PR News	Landmark Announces DecisionSpace(TM), the Industry's First Web-Enabled, Risk-Based Decision Support System for Upstream Oil and Gas Companies
10/04/2000	2,721,900	846.375	(6.9498)	Factiva	Firm bids to recover sub bodies. A US firm has won a contract to help recover the remains of the 118 seamen who died in the e xplosion and sinking of the Russian nuclear submarine Kursk. ...
10/04/2000	2,721,900	846.375	(6.5498)	Factiva	US FIRM IN KURSK OP. US firm Halliburton and Rubin Military Design Bureau yesterday secured a contract to recover the remains of the 118 seamen from Russian nuclear submarine Kursk.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/04/2000	2,721,900	846.375	(6.549%)	Factiva	RIGHTS: ACTIVISTS TARGET CHENEY FOR INVOLVEMENT IN BURMA WASHINGTON, Oct. 4 (IPS) -- Lawyers for victims of human rights abuses committed by the mili tary regime in Burma claim that the Republican Party's vice presidential nominee was involve d in a company that assisted in energy projects in Burma ...
10/04/2000	2,721,900	846.375	(6.549%)	Factiva	Halliburton to Aid Kursk Effort. Norwegian offshore services company ProSafe said Tuesday that it has signed a deal to rent t o Halliburton a vessel to help retrieve the bodies on the Russian submarine that sank in the Barents Sea. ...
10/04/2000	2,721,900	846.375	(6.549%)	Factiva	Swedish diver to take part in operation to recover Kursk crew. Swedish diver Johan Fagerholm will be among the 12 foreign divers, who will help Russian spe cialists to recover the crew of the nuclear-powered submarine Kursk, which sunk in the Baren ts Sea in August. ...
10/04/2000	2,721,900	846.375	(6.549%)	Factiva	Halliburton affiliate will retrieve remains from Russian vessel: Company Cheney once led ST. PETERSBURG, Russia -- The Norwegian subsidiary of a U.S. company run until recently by D ick Cheney will help recover the remains of the 118 seamen who died in the sinking of the Ru ssian nuclear submarine Kursk.
10/04/2000	2,721,900	846.375	(6.549%)	Factiva	U.S. FIRM TO RAISE BODIES FROM SUB The Norwegian subsidiary of a U.S. firm run until recently by Dick Cheney will help recover the remains of the 118 seamen who died in the sinking of the Russian nuclear submarine Kursk
10/05/2000	3,790,000	846.250	(0.270%)	Factiva	HALLIBURTON AS HEAD OFFICE TO TAKE CHARGE OF KURSK CREW RETRIEVAL. ST. PETERSBURG, Oct 5 (Interfax-Northwest) - The head office of the Halliburton AS company i n Norway will take charge of removal of the deceased crew from the sunken Russian nuclear su bmarine Kursk and give the operation technical backing ...
10/05/2000	3,790,000	846.250	(0.270%)	Factiva	Russia divers to arrive on vessel in Bergen. Russian divers are expected to arrive this weekend in Norway to take part jointly with Norwe gian and British divers in the operation on the Kursk submarine, Tass was told on Thursday b y Berger Haraldsejd, public relations director of the ...
10/05/2000	3,790,000	846.250	(0.270%)	Factiva	Operation to recover Kursk crew may begin in mid-October. An operation to recover the crew from the sunken nuclear-powered submarine Kursk may begin i n mid-October and will take 20 to 25 days, Itar-Tass learned on Thursday at the press servic e of the Rubin design bureau, the designer of the Kursk ...
10/06/2000	4,358,100	843.938	(9.000%)	Factiva	Divers to start recovery operation on the Kursk Russian divers will reportedly arrive in Norway at the weekend to take part in the recovery operation on the Kursk submarine along with Norwegian and British divers. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/06/2000	4,358,100	$43.938	(5.000%)	Factiva	MARINE - KURSK (Russia). London, Oct 4 - Russia has called in a US oil company to help to retrieve bodies from the sunken submarine Kursk. Russian divers trained by the oil giant Halliburton will begin raising victims from the Barents Sea on Oct 10, if weather ...
10/06/2000	4,358,100	$43.938	(5.000%)	Factiva	Halliburton called on Kursk mission. HALLIBURTON'S Norwegian affiliate has been contracted by the Russian authorities to assist with the recovery of bodies from the ill-fated submarine Kursk, which sank in the Barents Sea in August, writes Ola H. Aanestad. ...
10/06/2000	4,358,100	$43.938	(5.000%)	Factiva	Russian divers, who will work on Kursk sub to come to Norway. Russian divers, who will participate in the operation on lifting bodies of the crew members of the Kursk nuclear-powered submarine, are to arrive in Norway on Sunday, Birger Marsidseid, the information director of the subsidiary company of ...
10/08/2000	.	.	.	Factiva	Santa Barbara, Calif., Utility Company Expands Board SANTA BARBARA, Calif.-- Benton Oil & Gas has expanded its board of directors from five to eight members. The company's new board members are Stephen Chesebro, former president-chief executive officer and board member PennzEnergy Co.; John ...
10/08/2000	.	.	.	Factiva	Russian deep sea divers fly to Bergen to Kursk operation. A group of Russian deep sea divers - participants in the operation to lift the bodies of the crew of the sunken Kursk nuclear-powered submarine, flew from St.Petersburg to Norway on Sunday, ...
10/08/2000	.	.	.	Factiva	Russian divers arrive in Norway's Bergen. OSLO, October 8 (Itar-Tass) - Russian divers and technicians, who will take part in the removal of the Kursk sub crew, arrived in Bergen, Norway, from St. Petersburg on Sunday. They are staying on board the Regalia vessel, which is designed ...
10/08/2000	.	.	.	Factiva	No Debating It. We Need Nader When former Defense Secretary Dick Cheney said "the government had absolutely nothing to do with" his financial success as chairman of Halliburton-a company that hired him not long before it reaped $2 billion in contracts from the Defense ...
10/09/2000	2,971,500	$44.375	0.996%	Factiva	Kursk divers head out to sea for body recovery mission OSLO, Oct 9 (AFP) - A barge carrying a team of deep-sea divers left Norway's western port of Bergen for the Barents Sea Monday to recover bodies from the sunken Russian nuclear submarine Kursk, a firm involved in the operation said. ...
10/09/2000	2,971,500	$44.375	0.996%	Factiva	Kursk divers head out to sea for body recovery mission ATTENTION - REPETITION fixing slug OSLO, Oct 9 (AFP) - A barge carrying a team of deep-sea divers left Norway's western port of Bergen for the Barents Sea Monday to recover bodies from the sunken Russian nuclear submarine Kursk, a firm involved in the operation said. ...
10/09/2000	2,971,500	$44.375	0.996%	Factiva	Rescue ship sails from Norway to recover bodies of Russian sunken sub crew. Excerpt from report by Russian news agency RIA Moscow, 9th October: The rescue ship Regalia with Russian and Norwegian deep-sea divers and specialists on board sailed from Bergen to th

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					e place of the disaster with the nuclear submarine Kursk ...
10/09/2000	2,971,500	844.375	0.996%	Factiva	Oil Executives Stress Caution In Accepting E-Procurement System AUSTIN, Texas -(Dow Jones)- A move to an Internet program for electronic procurement may be the next step for the oil and gas industry, but a group of oil executives and e-commerce exp erts warned that the new system is no panacea. ...
10/09/2000	2,971,500	844.375	0.996%	Factiva	Abbot Group : Unit wins GBP350k contract LONDON -(Dow Jones)- Abbot Group announces that its wholly owned subsidiary OIS Internationa l Inspection ("OIS") has been awarded a major contract by Brown & Root Production Services, part of the Halliburton group of companies. ...
10/09/2000	2,971,500	844.375	0.996%	Factiva	Government Loans and Contracts Helped Cheney and Halliburton Make Millions, Says Gore Cam NASHVILLE, Tenn., Oct. 9 /U.S. Newswire/ -- The following was released today by Gore/Lieberm an 2000: As reported by Bloomberg News, Dick Cheney was not being fully honest when he claim ed in a debate with Joe Lieberman that "the government ...
10/10/2000	2,527,800	846.000	3.662%	Factiva	NORWEGIAN SHIP WITH RUSSIAN DIVERS HEADING TO SCENE OF SUBMARINE DISASTER. MOSCOW, Oct 10 (Interfax) - The Regalia rescue ship of the Halliburton company has covered t he first 100 miles of its way to the scene of the Kursk nuclear submarine disaster in the Ba rents Sea, the Russian Navy press service has told ...
10/10/2000	2,527,800	846.000	3.662%	Factiva	Divers set to recover Kursk bodies: Operation to begin Oct. 10 OSLO, Norway - A barge carrying a team of deep-sea divers left Norway's western port of Berg en for the Barents Sea yesterday to recover bodies from the sunken Russian nuclear submarine Kursk, a firm involved in the operation said. ...
10/10/2000	2,527,800	846.000	3.662%	Factiva	'KURSK' SALVAGE FUNDING SET. The Russian government on 5 October allocated 23.8 million rubles ($880,000) for the initial phase of operations to retrieve the remains of the 118 sailors on the sunken nuclear submar ine "Kursk." Russian and Western agencies reported ...
10/10/2000	2,527,800	846.000	3.662%	Factiva	Divers begin journey to the Kursk Divers from Scandinavia, Russia and Britain left the Norwegian port of Bergen yesterday (9 O ctober) to sail to the site of the sunken Russian submarine Kursk. ...
10/10/2000	2,527,800	846.000	3.662%	Factiva	JUST ASKING & Now that Dick Cheney has given up his non-vested Halliburton stock options, will Al Gore s urrender his stock in Occidental Petroleum?
10/10/2000	2,527,800	846.000	3.662%	Factiva	DIVERS OF KURSK RECOVERY EXPEDITION START TRAINING ON BOARD NORWAY'S SHIP. MOSCOW, October 10 (AVN) - Russian and Norwegian divers that will go down to the sunken Kurs k submarine have started planned training on board Norway's Regalia vessel, a spokesman for the Navy Staff told the Military News Agency. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/10/2000	2,527,800	$46.000	3.662%	Factiva	Genl Dynamics/Brown & Root Venture Gets $104 Million Pact STERLING HEIGHTS, Mich. -(Dow Jones)- Armor Center Support Services, a venture of General Dynamics Corp.'s (GD) Land Systems Customer Service & Support Co. unit and Halliburton Co.'s (HAL) Brown & Root Services Co. unit, obtained a $104 ...
10/10/2000	2,527,800	$46.000	3.662%	Factiva	Volcano that cast a sinister shadow The tragedy of an island in exile is tonight brought vividly to life by a new young playwright. RACHEL HALLIBURTON met her WHEN Zinnie Harris's mother first travelled from the remote South Atlantic island of Tristan da Cunha to Cape Town, ...
10/10/2000	2,527,800	$46.000	3.662%	Jefferies & Compan	Halliburton Company: Recent Sell Off Over Asbestos Liabilities Appears Overdone; Buy HAL on Weakness
10/11/2000	2,443,600	$46.438	0.951%		
10/12/2000	4,378,700	$47.625	2.557%	Factiva	MARINE - KURSK (Russia). London, Oct 10 - A Press report, dated today, states: The operation to recover 118 bodies from nuclear submarine Kursk is due to start on Oct 18 and will continue until halted by winter weather. Russian divers are expected to try to reach ...
10/12/2000	4,378,700	$47.625	2.557%	Factiva	RUSSIAN, NORWEGIAN DIVERS BEING TRAINED ON BOARD REGALIA SHIP. MOSCOW, October 12 (AVN) - The Russian and Norwegian divers are engaged in training on board the Norwegian Regalia platform ship, which is sailing to the area of the Kursk submarine accident, a source in the Russian Navy Staff told the ...
10/13/2000	3,124,600	$45.250	(4.987%)	Factiva	CAUSE OF KURSK ACCIDENT NOT CLEAR YET - OFFICIAL. MOSCOW, October 13 (AVN) - The weather in the area of the Kurk submarine accident is worsening. The wind velocity increased from six to ten metres per second, surge of the sea - from 1 to 4 points, a source in the Navy Staff told the ...
10/13/2000	3,124,600	$45.250	(4.987%)	Factiva	Factory in labor dispute may shut Dresser threatens to move Shore plant that employs 948 The Wayne Division of Dresser Equipment Group is threatening to shut down its gas station fuel pump manufacturing plant in Salisbury, jeopardizing the jobs of 398 union workers who have been on strike since July. ...
10/13/2000	3,124,600	$45.250	(4.987%)	Factiva	Shades of '97? Players say no, future's bright The crumpled faces, the frowns, the overwhelmingly negative response by the fans -- everything on Saturday was eerily similar to a game played three years ago, the last time a Texas team was supposed to be a national championship contender ...
10/16/2000	2,928,800	$43.188	(4.558%)	Factiva	KENNETH SNOW, RICHARD HALLIBURTON IBLA 99-115, 99-183 Decided Oct. 5, 2000 Appeals from decisions of the Phoenix Field Office, Bureau of Land Management, charging nonwillful trespass for removing mineral material from public lands. AZA 30414. IBLA 99-115 reversed; IBLA 99 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/16/2000	2,928,800	843.188	(6.5588)	Factiva	SAMOTLORNEFTEGAZ Gets New Head. Vyacheslav Nyunyaikin, former chief engineer at the Nizhnevartovsk oil producing enterprise, has been appointed SAMOTLORNEFTEGAZ director general, reported Grigory Gurevich, vice president of the TYUMEN OIL COMPANY (TNK). ...
10/16/2000	2,928,800	843.188	(6.5588)	Factiva	Hey, Thanks, Joe!...Your Pal, Dick Cheney Here's a question we hope gets asked at the vice presidential debate on Oct. 5: Senator Lieberman, please defend your position on stock options.
10/17/2000	2,906,200	843.375	0.4348	Factiva	Recovery of bodies from sunken Kursk could start Thursday OSLO, Oct 17 (AFP) - The operation to recover the bodies of the 118 crew of the sunken Russian nuclear submarine Kursk would start later this week, the company conducting the operation announced Tuesday. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	Diving team makes final Kursk preparations OSLO, Norway (AP) - An international diving team was preparing Wednesday to embark on the last leg of its journey to the sunken Russian nuclear submarine Kursk in an attempt to recover bodies. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	Diving team makes final Kursk preparations OSLO, Norway (AP) - An international diving team was preparing Tuesday to embark on the last leg of its journey to the sunken Russian nuclear submarine Kursk in an attempt to recover bodies. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	Diving team makes final Kursk preparations OSLO, Norway (AP) - An international diving team was preparing Tuesday to embark on the last leg of its journey to the sunken Russian nuclear submarine Kursk in an attempt to recover bodies. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	On RadioWallStreet.com: Jefferies Oil Services Analyst PHILADELPHIA--(BUSINESS WIRE)--Oct. 17, 2000--Tune into an interview with Jefferies & Company Oil Services Analyst/Vice President Mark Kellstrom on RadioWallStreet.com. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	Surge Petroleum Inc - Surge updates Arkoma basin gas discovery Mr. Robert Hobbs reports Surge Petroleum, through its operating subsidiary Arkana Operating Co., Inc. has drilled, and is in the process of completing, a multizone gas discovery. During drilling operations, a single zone flowed at a ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	RECOVERY VESSEL TO ARRIVE AT KURSK SUB DISASTER SITE WEDNESDAY. MOSCOW, October 17 (AVN) - The Regalia vessel of the US Halliburton company is expected to arrive at the site of the Kursk nuclear submarine disaster on Wednesday afternoon, a Navy Staff spokesman told the Military News Agency. ...
10/17/2000	2,906,200	843.375	0.4348	Factiva	Surge Announces Arkoma Basin Gas Discovery CALGARY, ALBERTA--Surge Petroleum Inc., a Company trading on the Canadian Venture Exchange under the symbol SPY, announced today the drilling of a significant natural gas discovery in

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					Oklahoma, USA. ...
10/17/2000	2,906,200	$43.375	0.4348	Factiva	Work on remote Australian rail link set to begin. ADELAIDE, Sept 18 (Reuters) - Construction work on a 1,410 km (880 miles) remote Australian rail link is expected to begin next week after a formal agreement was signed on Wednesday between governments and a private consortium. ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	Officials: Kursk recovery operation delayed by weather MURMANSK, Russia (AP) - The deep-sea diving mission to retrieve crewmen's remains from the sunken nuclear submarine Kursk was set back because of bad weather on the Barents Sea, a top Russian official said Wednesday. ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	Kursk Recovery Delayed by Weather MURMANSK, Russia (AP) - The deep-sea diving mission to retrieve crewmen's remains from the sunken nuclear submarine Kursk was set back because of bad weather on the Barents Sea, a top Russian official said Wednesday. ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	Halliburton 2000 Third Quarter Teleconference DALLAS, Oct. 18 /PRNewswire/ -- Halliburton Company (NYSE: HAL) will release its 2000 third quarter financial results Tuesday afternoon, October 24, 2000, at 3:00 PM Dallas time (Central Daylight Time). ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	NEW GENERAL DIRECTOR OF SAMOTLORNEFTEGAZ. Vyacheslav Nunyaykin, Chief Engineer of the Nizhnevartovsk oil producing enterprise, has been appointed General Director of Samotlorneftegaz. Former General Director Valery Kulpin will supervise the TNK group for work with the Halliburton ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	Landmark Graphics Corporation, a wholly owned business unit ofHalliburton Company, announ Date Announced: 19990727 Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced that it has signed a multi-year contract with BP Amoco to standardize its drilling, reservoir engineering, geology and ...
10/18/2000	3,153,800	$42.875	(1.153%)	Factiva	Schlumberger third-quarter earnings soar 85% NEW YORK - Schlumberger, No. 2 in oil-field services behind Halliburton Co., said on Tuesday its third-quarter earnings rose a slightly stronger-than-expected 85 percent as soaring oil and natural gas prices drove a further recovery in its ...
10/18/2000	3,153,800	$42.875	(1.153%)	PR News	Halliburton 2000 Third Quarter Teleconference
10/19/2000	2,805,100	$42.813	(0.146%)	Factiva	Weather delays Kursk recovery operation - Official MURMANSK - A top Russian military officer suggested on Wednesday that the government might decide against recovering the remains of crewmen from the sunken nuclear submarine Kursk, while another official said this week's retrieval mission ...
10/19/2000	2,805,100	$42.813	(0.146%)	Factiva	Divers to be ready for Kursk recovery operation on Friday. The platform-ship Regalia will be ready on Friday afternoon to begin a "deep-sea" diving "operation to recover crewmen's remains from the sunken nuclear submarine Kursk, the information d

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					irector of the Norwegian subsidiary of the Dallas-based ...
10/20/2000	3,026,700	$44.063	2.920%	Factiva	MIKPHIS AREA DEATHS THROUGH THURSDAY, OCT. 19 VIAG ADAMS, 71, of Covington, homemaker, died of heart failure Monday at Baptist Memorial Hospital-Tipton in Covington. Services will be at 11 a.m. Saturday at Salem Missionary Baptist Church in Covington with burial in Kings Hill Church ...
10/20/2000	3,026,700	$44.063	2.920%	Factiva	RUSSIAN, NORWEGIAN DIVERS GEARING UP FOR OP ON SUNKEN KURSK SUB SEVEROMORSK, October 20 (AVN) - Russian and Norwegian deep-sea divers from the Regalia special ship of the US Halliburton firm started operating in the area of the Kursk submarine wrec k on Friday, a source in the Russian Northern Fleet ...
10/21/2000	..	..	..	Factiva	Cheney, Halliburton both benefit from government During the vice-presidential debate, Democratic candidate Joseph Lieberman observed that Republican candidate Dick Cheney had personally prospered during the last eight years. Cheney replied that his success had nothing to do with ...
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	Divers begin Kursk operation Work is taking place today (23 October) to recover the bodies of the 118 men who died when the Russian nuclear submarine Kursk sank in August. ..
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	GeoMechanics International Inc. Palo Alto, Calif., announced that it has entered into a strategic alliance with Landmark Graphics Corp. The alliance brings together Landmark's suite of geophysical, geological, and drilling engineering software with GMI's wellbore ...
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	Russian and Norwegian divers .. Russian and Norwegian divers, working in an increasingly stormy Barents Sea to retrieve the remains of 118 sailors from the sunken nuclear submarine Kursk, penetrated the strong inner hull of the vessel yesterday. The divers, working from ...
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	Russian and Norwegian divers, working in an increasingly stormyBarents Sea to ... Russian and Norwegian divers, working in an increasingly stormy Barents Sea to retrieve the remains of 118 sailors from the sunken nuclear submarine Kursk, penetrated the strong inner hull of the vessel yesterday. The divers, working from ...
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	Brown & Root Services to Defend Civil Litigation DALLAS, Oct. 23 /PRNewswire/ -- Halliburton Company (NYSE: HAL) stated today that one of its business units, Brown & Root Services ("BRS"), is a defendant in civil litigation pending in federal court in Sacramento, California, alleging that ...
10/23/2000	5,307,600	$41.188	(6.925%)	Factiva	Digital Gas Signs Contracts With Dong Sheng Corporation NEW YORK, Oct. 23 /PRNewswire/ -- Digital Gas, Inc. (DIGG - Pink Sheets) today announced that it has signed comprehensive oil & gas contracts with Dong Sheng Corporation ("DSC") of Dongying, Shandong Province, Peoples Republic of China ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/23/2000	5,307,600	841.188	(6.525%)	Factiva	MARINE - KURSK (Russia). Moscow, Oct 20 - A mini-submarine explored the site of wrecked nuclear submarine Kursk today as divers prepared to try to retrieve the bodies of the 118-man crew, Russia's partner in the salvage project said. Deep-sea divers may visit the ...
10/23/2000	5,307,600	841.188	(6.525%)	Factiva	Halliburton Unit Under Justice Dept Investigation DALLAS -(Dow Jones)- The Department of Justice began a federal grand jury investigation of Halliburton Co.'s (HAL) Brown & Root Services unit, although no specific allegations have been made. ...
10/23/2000	5,307,600	841.188	(6.525%)	Factiva	Online cargo insurance application now available in Europe. Oceanwide.com, a provider of online cargo insurance, customized messaging services and online software for forwarders, said it has licensed its online cargo insurance application, CargoCover, to Britain-based Translink Ltd. ...
10/23/2000	5,307,600	841.188	(6.525%)	PR News	Brown & Root Services to Defend Civil Litigation
10/24/2000	6,252,200	841.625	1.062%	CIBC World Markets	HAL: Weak E&C Outlook Prompts Restructuring; Reducing Estimates
10/24/2000	6,252,200	841.625	1.062%	Factiva	Halliburton releases third quarter earnings, up significantly over year andprevious quart From: Press Release -- October 24, 2000 DALLAS, Texas- Halliburton Company (NYSE:HAL) reported today that 2000 third quarter net income was $157 million ($0.35 per share diluted), representing a 109 percent increase over the prior quarter ...
10/24/2000	6,252,200	841.625	1.062%	Factiva	Halliburton Co. under investigation over California military contract DALLAS (AP) - The company headed until recently by Republican vice presidential nominee Dick Cheney has acknowledged it is under criminal investigation over a California military contract. ...
10/24/2000	6,252,200	841.625	1.062%	Factiva	RadioWallStreet.com Talks Oil Sector Earnings With Burns, Gustus Analyst PHILADELPHIA--(BUSINESS WIRE)--Oct. 24, 2000--Today on RadioWallStreet.com, Burns, Gustus & Company analyst Joseph H. Ancona discusses quarterly earning results for Texaco Inc. (NYSE: TX), Chevron Corporation (NYSE: CHV), Exxon Mobil ...
10/24/2000	6,252,200	841.625	1.062%	Factiva	Halliburton Co. Unit Faces a U.S. Inquiry Related to a Lawsuit DALLAS -- Halliburton Co. said one of its business units is the target of a federal grand-jury investigation relating to civil litigation pending in federal court in Sacramento, Calif. ...
10/24/2000	6,252,200	841.625	1.062%	Factiva	Halliburton Releases Third Quarter Earnings, Up Significantly Over Prior Year And Previou DALLAS, Oct. 24 /PRNewswire/ -- Halliburton Company (NYSE: HAL) reported today that 2000 third quarter net income was $157 million ($0.35 per share diluted), representing a 109 percent increase over the prior quarter, and a 171 percent ...
10/24/2000	6,252,200	841.625	1.062%	Factiva	Halliburton earnings beat Wall Street estimates. HOUSTON, Oct 24 (Reuters) - Halliburton Co. , the No. 1 oilfield-services company, said on Tuesday third-quarter operating earnings rose 88 percent as oil and gas companies increase th

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/24/2000	6,252,200	$41.625	1.0624	Factiva	eir investment in exploration and production activity in ...
					TABLE - Halliburton Q3 share rises to $0.35. DALLAS, Oct 24 (Reuters) - Halliburton Co Consolidated Statements of Income (Unaudited) Thir d Quarter Ended Nine Months Ended September 30 September 30 2000 1999 2000 1999 Millions ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	UPDATE 1-Halliburton earnings slightly better than expected. HOUSTON, Oct 24 (Reuters) - Halliburton Co. , the No. 1 oilfield services company, said on T uesday third-quarter operating earnings rose 66 percent as oil and gas companies increased t heir investment in exploration and production activity ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	Halliburton Co. 3rd Quarter Net 35 Cents A Diluted Share Halliburton Co. - Dallas 3rd Quar Sept. 30: 2000 1999 Revenues $3,024,000,000 $2,973,000,000 Inc cont op 130,000,000 38,000,000 Inc dis op 27,000,000 ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	Halliburton Co. Earnings -2: 3rd Quarter Financial Table, Comment Halliburton Co. - Dallas 3rd Quar June 30: 2000 1999 Revenues $3,024,000,000 $2,973,000,000 Inc cont op 130,000,000 38,000,000 Inc dis op 27,000,000 ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	News Highlights: AT&T Board Gives Prelim OK For Breakup Top Of The Hour AT&T Board Gives Prelim Ok For Moves To Break Up Company >T Compaq 3Q Net 31 c/Share >CPQ Amazon.com 3Q Loss 25c/Shr Before Goodwill, Other Items >AMZN Nortel Networks 3 Q Net 18c A Share >NT Halliburton ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	Halliburton Co Earnings -4: 9 Months Financial Table 9 Months Sept. 30: 2000 1999 Revenue $8,751,000,000 $9,287,000,000 Inc cont op 309,000,000 1 66,000,000 Inc dis op b 287,000,000 76,000,000 Net ...
10/24/2000	6,252,200	$41.625	1.0624	Factiva	Criminal Probe Targets Halliburton Subsidiary Inquiry: Companyonce overseen by Cheney is WASHINGTON -- A company overseen by Republican vice presidential candidate Dick Cheney until four months ago is under criminal investigation for allegedly defrauding the federal govern ment out of millions of dollars in the closure of the Ft ...
10/24/2000	6,252,200	$41.625	1.0624	PR News	UPDATE 2-Halliburton earnings up, but sets reorganization. HOUSTON, Oct 24 (Reuters) - Halliburton Co. , the world's biggest oilfield services company, reported slightly better-than-expected third-quarter earnings on Tuesday, but the numbers w ere overshadowed By plans to restructure its poorly ... Halliburton Releases Third Quarter Earnings, Up Significantly Over Prior Year And Previous Q uarter

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/25/2000	25,345,200	$37.063	(10.96%)	A.G. Edwards & Son	Halliburton Company - North America Drives Positive Earnings Surprise - Lowering Estimates t o Reflect Weaker E&C Business
10/25/2000	25,345,200	$37.063	(10.96%)	ABN AMRO Global Re	Halliburton Company: HAL: Bruised But Not Broken - Sensitivity Analysis
10/25/2000	25,345,200	$37.063	(10.96%)	ABN AMRO Global Re	Halliburton Company: HAL: Lowering 2000 and 2001 Earnings Estimates
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Storms delay the Kursk rescue effort. On 22 October 2000 divers cut holes through the inner hull of the sunken Russian submarine " Kursk" in the Barents Sea. The divers are trying to remove the bodies of 118 sailors who wen t down with the nuclear submarine. The conditions in the ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton stock slides on news of restructuring, slowing projects DALLAS (AP) - Shares of oil-services firm Halliburton Co. slumped Wednesday after the compan y announced a restructuring of its engineering and construction units. ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton stock slides on news of restructuring, slowing projects DALLAS (AP) - Shares of oil-services firm Halliburton Co. slumped Wednesday after the compan y announced a restructuring of its engineering and construction units. ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton stock slides on news of restructuring, slowing projects DALLAS (AP) - Shares of oil-services firm Halliburton Co. slumped Wednesday after the compan y announced a restructuring of its engineering and construction units. ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton Shares Slump on News DALLAS (AP) - Shares of oil-services firm Halliburton Co. slumped Wednesday after the compan y announced a restructuring of its engineering and construction units. ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton stock slides on news of restructuring, slowing projects DALLAS (AP) _ Shares of U.S. oil-services company Halliburton Co. slumped Wednesday after it announced a restructuring of its engineering and construction units. ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	WHITE HOUSE 2000 - CHENEY: RESPONDS TO HALLIBURTON ALLEGATIONS Dick Cheney visited an alternative-fuel research firm in MA as "his campaign aides sought to deflect allegations that his former company defrauded the government out of millions of dol lars." Cheney spokesperson Juleanna Glover Weiss ...
10/25/2000	25,345,200	$37.063	(10.96%)	Factiva	Halliburton falls on news of worldwide revamp. Shares in Halliburton, the world's second-largest oilfield equipment and services group, fel l sharply in New York trading on Wednesday, after the company told analysts it would launch

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					a significant restructuring of its worldwide engineering ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	Halliburton's Profit Jumps, Boosted By Drilling Activity DALLAS -- Fueled by strong oil and gas drilling activity both domestically and internationally, Halliburton Co. said its third-quarter net income nearly tripled from last year. ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	Dallas-Based Halliburton Co. to Combine Engineering, Construction Units Halliburton Co. officials revealed Tuesday that they plan to combine the company's engineering and construction businesses into a single unit, a reorganization that probably will shrink those operations and result in some layoffs. ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	PARTY NOTES NO. 100 FOR HALLIBURTON Bill Short, librarian at Rhodes College, will host a 100th birthday party for travel adventurer and author Richard Halliburton tonight at 7 at The Deliberate Literate Bookstore and Cafe. ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	Halliburton Is Investigated Over Billing JUNCTION CITY, Ore., Oct. 24 -- As the Gore campaign seized on the news that a grand jury was investigating whether a subsidiary of a company that Dick Cheney led until this summer billed the federal government too much, the Cheney campaign ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	HALLIBURTON IS INVESTIGATED OVER BILLING Vice Pres Al Gore's presidential campaign seizes on news that grand jury probes whether Brown & Root, unit of Halliburton Co, which Republican vice presidential candidate Dick Cheney led, overcharged government for its work decommissioning ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	Probe of Halliburton Has Cheney on Defense; Oil Supply Subsidiary Accused of Fraud Allegations of a classic contracting scam defrauding the federal government of between $5 million and $6 million have blossomed into the latest nasty exchange between the presidential campaigns and has put GOP vice presidential nominee ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	Cheney company in fraud inquiry - USA Presidential Elections. IN A distraction the Republican presidential campaign could do without, the company run by Richard Cheney until George W. Bush picked him as his running-mate is under criminal investigation for allegedly defrauding the US Government of ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	UPDATE 2-Halliburton stock hit by engineering slowdown. HOUSTON, Oct 25 (Reuters) - Stock of Halliburton Co., the world's biggest oilfield services company, fell sharply on Wednesday after the company said a dearth of new orders was eroding profits at its engineering and construction business. ...
10/25/2000	25,345,200	$37.063	(10.961%)	Factiva	UPDATE 1-Halliburton stock hit by engineering slowdown. HOUSTON, Oct 25 (Reuters) - Stock of Halliburton Co., the world's biggest oilfield services company, fell sharply on Wednesday after the company said a dearth of new orders was pressuring profits at its engineering and construction business ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	Halliburton stock off 16 pct as reorganization set. HOUSTON, Oct 25 (Reuters) - Stock of Halliburton Co., the world's biggest oilfield services company, fell sharply on Wednesday after the company said a dearth of new orders was pressuring profits at its engineering and construction business ...
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	NYSE Most Actives 9:30-4:00 Composite Trades 123,379,500 Nortel Network 45.125 dn 18.250 42,053,300 AT&T Corp 23.375 dn 3.813 37,987,400 Corning Inc 77.000 dn 13.000 31,592,600 Compaq Computer 28.150 dn .250 28,948,800 Gen Electric 53.250 dn ...
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	NYSE Most Actives At 2:00 P.M. Nortel Network 95,443,504 45.88 Dn17.44 AT&T 32,346,700 23.31 Dn3.56 Corning Inc 28,873,900 76.94 Dn16.56 Compaq Compute 21,823,300 28.85 Up1.85 General Elec 21,673,500 53.19 Dn0.19 ..
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	Halliburton Shares Falter on Concerns About Engineering Business DALLAS -- Shares of Halliburton Co. slumped after the oil-services giant reported a 21% decline in revenue from its engineering and construction businesses for the third quarter and announced plans to restructure the operations. ...
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	CAMPAIGN 2000 Cheney Talks of Alternative Fuel; Staff Responds to Fraud Probe Queries Poli JUNCTION CITY, Ore. -- Republican vice presidential candidate Dick Cheney visited a motor home factory here Tuesday as his campaign aides sought to deflect allegations that his former company defrauded the government out of millions of ...
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	Earnings at Halliburton spurt / Operating income at oil-field services company rises 88 p Halliburton Co., the No. 1 oil-field services company, said Tuesday that its third-quarter operating earnings rose 88 percent as oil and gas companies increased their investment in exploration and production activity in response to high oil ...
10/25/2000	25,345,200	837.063	(10.961%)	Factiva	Campaign 2000 / Feds investigating Halliburton / VP candidate Cheney was head of Dallas-b DALLAS - The company headed until recently by Republican vice- presidential nominee Dick Cheney has acknowledged it is under criminal investigation over a California military contract.
10/25/2000	25,345,200	837.063	(10.961%)	Jefferies & Compan	Halliburton Company
10/25/2000	25,345,200	837.063	(10.961%)	RBC Capital Market	HAL:N-/HALLIBURTON REPORTS, ANNOUNCES MAJOR RESTRUCTURING INITIATIVE
10/26/2000	8,901,500	837.125	0.1699	Factiva	Halliburton 2000 fourth quarter dividend From: Press Release -- October 26, 2000 DALLAS, Texas-Halliburton Company (NYSE:HAL) announces today that its board of directors has declared a 2000 fourth quarter cash dividend of 12.5 cents a share on the company's common stock payable ...
10/26/2000	8,901,500	837.125	0.1699	Factiva	U.S. embassies assisted Cheney company in foreign markets WASHINGTON (AP) - Though Dick Cheney says the government played no role in his business succ ess, internal State Department memos show U.S. diplomats lobbied foreign governments, banks

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					and state-run companies to assist two business deals for ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	U.S. embassies assisted Cheney company in foreign markets WASHINGTON (AP) - Though Dick Cheney says the government played no role in his business succ ess, internal State Department memos show U.S. diplomats lobbied foreign governments, banks and state-run companies to assist two business deals for ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	U.S. Embassies Assisted Cheney Firm WASHINGTON (AP) - Though Dick Cheney says the government played no role in his business succ ess, internal State Department memos show U.S. diplomats lobbied foreign governments, banks and state-run companies to assist two business deals for ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	HEADLINE: Memos show U.S. officials helped Cheney's company WASHINGTON - Though Dick Cheney says the government played no role in his business success, internal State Department memos show U.S. diplomats lobbied foreign governments, banks and s tate-run companies to assist two business deals for the ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	Business Brief -- Halliburton Co.: Share Price Declines by 11%On News of Restructuring Shares of Halliburton Co. fell 11% after the oil-services company said it will restructure i ts engineering-and-construction units because of a lack of large new projects. Company offic ials said after the close of markets Tuesday that a ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	FRONT PAGE - COMPANIES & MARKETS - Halliburton restructuring hits shares - Dick Cheney's FRONT PAGE - COMPANIES & MARKETS - Halliburton restructuring hits shares - Dick Cheney's for mer group warns over falling profits. Shares in Halliburton, the world's second largest oilf ield equipment and services group, fell sharply in New ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	COMPANIES & FINANCE THE AMERICAS - Halliburton falls on news ofworldwide revamp. Shares in Halliburton, the world's second-largest oilfield equipment and services group, fel l sharply by the close of New York trading yesterday, after the company told analysts it wou ld launch a significant restructuring of its worldwide ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	Halliburton Shares Drop after Reorganization Announcement Shares of Halliburton Co. fell by $4.38 per share to close at $37.25 Wednesday on news that the company's heavy construction units face a business slowdown and will be reorganized. ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	Dallas-Based Halliburtons Profit Estimates Drop; Solution May Involve Layoffs Halliburton shares dropped sharply Wednesday as analysts chopped their earnings estimates fo r the energy services company whose engineering and construction operation is slumping. ...
10/26/2000	8,901,500	837.125	0.169%	Factiva	Stock of Dallas-Based Halliburton Drops 11 Percent on SlowdownNews Shares in Halliburton Co. dropped nearly 11 percent Wednesday as investors reacted to news t hat the company saw poor results from its engineering and construction group. ...

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10/26/2000	8,901,500	$37.125	0.169%	Factiva	HALLIBURTON SHARES FALL 12% ON PROFIT REPORT Shares of Halliburton fell 12 percent a day after it said that third-quarter revenue at its engineering and construction businesses declined 21 percent. Shares fell $5.13, to $37.06, a n trading of 25.3 million, more than eight times the ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	COMPANY NEWS: HALLIBURTON SHARES FALL 12% ON PROFIT REPORT Shares of Halliburton Co fell 12 percent one day after it says third-quarter revenue at engi neering and construction businesses declined 21 percent; drop trims $2 billion from Hallibur ton's market value and puts stock down 7.9 percent for ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	Halliburton 2000 Fourth Quarter Dividend DALLAS, Oct. 26 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announces today that its boa rd of directors has declared a 2000 fourth quarter cash dividend of 12.5 cents a share on th e company's common stock payable December 21, 2000 to ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	Halliburton Officials Say Kursk Retrieval Operation May Not BeResumed Tomorrow Due To Bad A source in the Halliburton company was quoted by NTV as saying that the diving works to ret rieve the remains of the Kursk crewmembers had been stopped for at least several hours and t hey might not be resumed in the morning as forecasts ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	Halliburton Dives on Slow Construction Sales. Shares of Halliburton plunged by more than 10% Wednesday after analysts sliced their earning s estimates for the company in response to a lack of new orders at its engineering and const ruction business. ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	HALLIBURTON STOCK OFF ON PROFIT WARNING Woes at engineering andconstruction unit Analysts cut ratings and lowered forecasts for giant oil field services company Halliburton Oct 25 after management reduced its earnings outlook for the company's engineering and const ruction business in 2001 and announced intentions to ...
10/26/2000	8,901,500	$37.125	0.169%	Factiva	Halliburton Co. Declares 12.5 Cents Regular Quarterly Dividend Pay Dec. 21, record Nov. 30. 11:35 AM
10/26/2000	8,901,500	$37.125	0.169%	Factiva	Halliburton profit estimates drop; solution may involve layoffs Halliburton shares dropped sharply Wednesday as analysts chopped their earnings estimates fo r the energy services company whose engineering and construction operation is slumping.
10/26/2000	8,901,500	$37.125	0.169%	Jefferies & Compan	Halliburton Company: Halliburton's Stock May Be Oversold; Weakness Creates Buying Opportunit y
10/26/2000	8,901,500	$37.125	0.169%	PR Newswire	Halliburton 2000 Fourth Quarter Dividend

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	The Ticker: QUICK HITS FROM THE TRAIL CAMPAIGN 2000 Cheney's firm reaped profits of U.S. diplomacy U.S. diplomats in Asia and Africa worked aggr essively to help oil services giant Halliburton Inc. secure lucrative overseas contracts whe n Republican vice presidential candidate Dick Cheney ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	U.S. ENVOYS AIDED CHENEY'S FIRM, MEMOS SHOW U.S. diplomats in Asia and Africa worked aggressively to help oil services giant Halliburton , Inc., secure lucrative overseas contracts when Republican vice presidential candidate Dick Cheney headed the company, according to State ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	CHENEY'S FIRM RECEIVED HELP FROM U.S. EMBASSIES WASHINGTON -- Though Dick Cheney says the government played no role in his business success, internal State Department memos show U.S. diplomats lobbied foreign governments, banks and state-run companies to assist two business deals for the ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	MEMOS: CHENEY FIRM AIDED BY LOBBYING OF U.S. ENVOYS Though Dick Cheney says the government played no role in his business success, internal Stat e Department memos show U.S. diplomats lobbied foreign governments, banks and state-run comp anies to assist two business deals for the oil services ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	A Case of Intrigue Being a road warrior doesn't mean having to look like a delegate to a Comdex convention. Lik e laptops themselves, carrying cases have evolved from leatheratte monstrosities into sleek attaches with plenty of room for extras. Some notebook ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	TNK gets more Ex-Im Bank money.(Tyumen Oil receives funding from Export-Import Bank of th Tyumen Oil (TNK) was this week expected to receive guarantees from US Ex-Im Bank for the sec ond portion of a $672mn loan. TNK and Ex-Im Bank were due to sign a corresponding agreement on 27 October covering guarantees of $217mn for a ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	Foreign Affairs: A Pipeline Project In Myanmar Puts Cheney in Spotlight --- Halliburton's Among the many news releases issued by Halliburton Co. under former Chief Executive Officer Richard Cheney, one stands out for what it didn't say. ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	Petrobras changes life of supplier. Rio de Janeiro, 10/27/00 - The contract signed with Petrobras for the project to develop pro duction in the fields of Barracuda and Caratinga, in the Campos Basin off the coast of Rio d e Janeiro state, have provoked a change in the Brazilian ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	Drop in new orders hits Halliburton share price. Stock of Halliburton, the world's biggest oilfield services company, has fallen sharply afte r the company said a dearth of new orders was eroding profits at its engineering and busines s. ...
10/27/2000	5,615,600	$37.000	(0.3378)	Factiva	OffshorenDrop in new orders hits Halliburton. STOCK of Halliburton Co, the world's biggest oilfield services company, has fallen sharply a fter the company said a dearth of new orders was eroding profits at its engineering and cons

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					truction business. ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	Cheney got U.S. help with oil deals WASHINGTON -- U.S. diplomats in Asia and Africa worked aggressively to help oil-services gia nt Halliburton Inc., secure lucrative overseas contracts when Republican vice presidential c andidate Dick Cheney headed the company, according to ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	Services goliath in a bind. Profits roll in at Halliburton but engineering arm underperforms HALLIBURTON, the world's la rgest oilfield services group, ran up a strong third-quarter result moderated by the poor pe rformance of its downstream engineering and construction ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	NYSE Most Actives At 11:00 A.M. Nortel Network 14,266,900 46.19 Up0.81 AT&T 10,857,900 22.19 Up0.38 Corning Inc 7,170,800 73 .00 Up3.00 Lucent Technol 6,268,100 20.56 Dn0.44 Pfizer Inc 5,505,700 44.06 Dn1.31 ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	CAMPAIGN 2000 State Dept. Eased Deals for Halliburton Memos: The oil company run by GOP c WASHINGTON -- U.S. diplomats in Asia and Africa worked aggressively to help oil-services gia nt Halliburton Co. secure lucrative overseas contracts when Republican vice presidential can didate Dick Cheney headed the company, according to ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	Memo shows diplomats aided Cheney's ex-firm WASHINGTON -- Though Dick Cheney says the government played no role in his business success, internal State Department memos show U.S. diplomats lobbied foreign governments, banks and state-run companies to assist two business deals for the ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	DECISION MADE ON CUTTING OPENING IN SUBMARINE KURSK'S 9TH COMPARTMENT. MURMANSK, Oct 27 (Interfax-Northwest) - The participants of a consultative session held aboa rd the Norwegian offshore platform Regalia on Friday reached the decision to cut an opening into the 9th compartment of the sunken nuclear submarine ...
10/27/2000	5,615,600	837.000	(0.3378)	Factiva	Cheney defends Halliburton work in Myanmar. WASHINGTON, Oct 27 (Reuters) - Republican vice presidential candidate Dick Cheney on Friday defended his former employer's business in Myanmar at a time the United States was trying to isolate that country's ruling military regime. ...
10/28/2000	.	.	.	Factiva	Cheney Defends Myanmar Dealings, Contract Help WASHINGTON -- Dick Cheney defended the company he headed until joining the Republican ticket , saying Friday that the business dealings of Halliburton Co. in Myanmar, a country with wel l-documented human rights violations, were "fully in ...
10/30/2000	5,936,500	836.750	(0.6768)	Factiva	NIGERIAN EA CONTRACTS AWARDED Halliburton and Baker Hughes have signed contracts for the development of the EA field off t he Niger Delta. Halliburton will provide drilling fluids and pumping services while Baker Hu ghes will perform directional drilling, mud logging and ...

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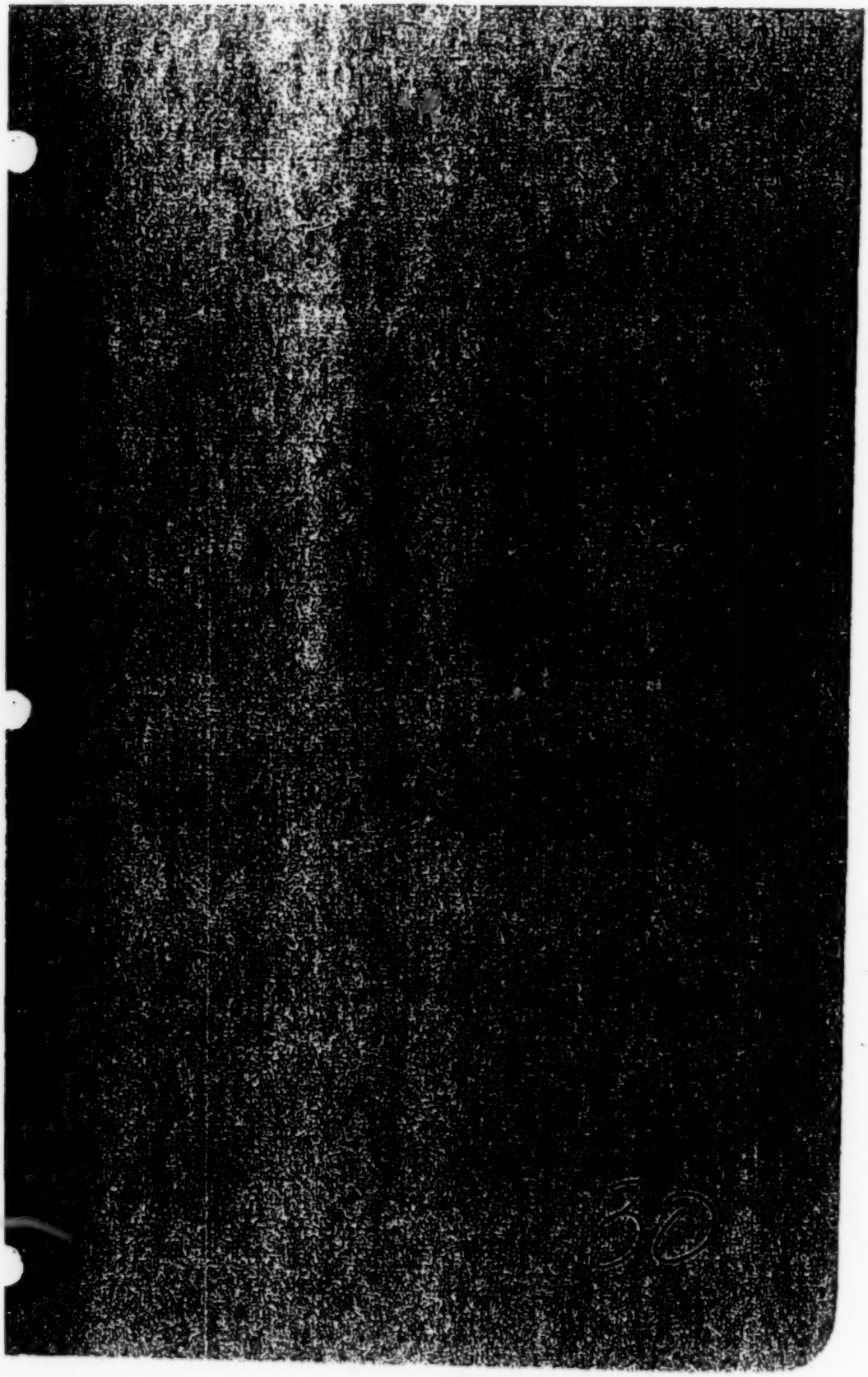

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	Dick Cheney Cheney's bio Dick Cheney, 59, is a former secretary of defense. He grew up in Casper, Wyo., earned bachelor's and master's degrees from the University of Wyoming, then went to work in junior positions for President Nixon. He became White House chief of ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	Apparently Bigger Isn't Better in Russian Sub Technology A Norwegian subsidiary of Halliburton, the U.S. company which until recently was headed by George W. Bush's running mate Dick Cheney, has been given by the Kremlin the gruesome task of recovering at least some of the bodies of the 118 ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	AN INNOVATIVE GOVERNMENT-BACKED MENTORING SCHEME. AN INNOVATIVE GOVERNMENT-BACKED MENTORING SCHEME, designed to aid small and medium-sized enterprises (SMEs) in the UK offshore industry in bringing their services and technology more quickly to market, was launched this month in Aberdeen. ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	Election 2000 on BusinessWeek Online's Daily Briefing NEW YORK, Oct. 30 /PRNewswire/ -- The full version of the following articles are now available on BusinessWeek Online's Daily Briefing at (http://www.businessweek.com/today.htm). GOVERNMENT: Do CEOs Vote? Not Always--and Not Often By ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	U. California-Los Angeles: COLUMN: Choices for gay voters limited By Ryan Fox, Daily Bruin (U. California-Los Angeles) LOS ANGELES -- Very strange. The conservatives are mad at vice presidential candidate Dick Cheney. How did this come to be? After all, he's a paragon of corporate-conservative virtue. He ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	Halliburton Unit Gets 3-Yr,$18 Million Pact from Kerr-McGee Unit HOUSTON -(Dow Jones)- Halliburton Co.'s (HAL) Brown & Root Energy Services unit received a three-year, $18 million engineering and project management services contract from Kerr-McGee Corp.'s (KMG) North Sea Ltd. unit. ...
10/30/2000	5,936,500	$36.750	(0.676%)	Factiva	A Return Visit to Earlier Stories -- Late Penalty: Halliburtonrestructures unit after del The stock market doesn't have a Detention Hall, but if it did that's where you'd find shares of Halliburton. The international oil-services giant revealed last week that it would restructure its sagging engineering and construction ...
10/31/2000	4,845,500	$37.063	0.850%	Factiva	Diving company staffer says Kursk operation may end in a week Russian NTV International television later quoted an unnamed source in the Halliburton company, which has been contracted to carry out the search operation, as saying work had stopped because it was too dangerous. ...
10/31/2000	4,845,500	$37.063	0.850%	Factiva	Norway says Kursk operation too risky, may end this week. Text of report by Russian NTV International television on 31st October Ye today contacted a representative of the Norwegian company Halliburton which is conducting work on the Kursk together with the Russian side. The Norwegian specialist ...
10/31/2000	4,845,500	$37.063	0.850%	Factiva	The return of the 'horizon chaser' Another generation can now enjoy a classic travel tale Anyone who grew up reading - and avidly rereading - "Richard Halliburton's Complete Book of Marvels" knows the indelible imprint his travel adventures leave on memory and imagination.

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11/01/2000	5,854,600	$38.563	4.047%	Factiva	On RadioWallStreet.com: Where is the Oil Services Sector Headed? PHILADELPHIA--(BUSINESS WIRE)--Nov. 1, 2000--Tune into an interview with Southwest Securitie s Oil Field Services Analyst/Vice President Fred Mutalibov on RadioWallStreet.com. ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Third-Quarter Results Mixed. (Brief Article) THIRD-QUARTER RESULTS FOR ENGINEERING AND CONSTRUCTION (E&C) firms were mixed, and several f irms are integrating purchases made earlier this year. Washington Group International (Boise , ID), which bought Raytheon's E&C unit in July, says it ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Debrett's People of Today - ARMSTRONG - Anne. First Names: Anne Career: US embass to UK 1976-77; dir: Glaxo Wellcome plc (formerly Glaxo H oldings plc) 1991-97, American Express Co, Boise Cascade Corp, Halliburton Co; memb Advsy Co cl General Motors Corp; chm Exec Ctee Bd of Tstee Center ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Debrett's People of Today - HALLIBURTON - (Robert) John. Foretitle: Rev Canon First Names: (Robert) John Parentage: s of Robert Halliburton (d 1953), and Katherine Margery, nee Robinson (d 1968) Date of Birth: 23 March 1935 ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Janet Halliburton for the Birds Years ago, when a young Janet Halliburton dressed up her "pet" roosters at her grandmother's farm north of Guthrie, Oklahoma, she did not imagine that she would eventually get riled up on behalf of other birds much like her childhood ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	DICK CHENEY LEADS WHOPPER SWEEPSTAKES Now that the four debates are history, we can announce the winner of the "Whopper of the Cam paign Sweepstakes." The press, pundits, and pols have justly taken Al Gore to the woodshed f or chronic resume embellishment, and they have also ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Help still wanted With the service sector beginning to reap the benefits of a strengthening market, one concer n shared at the recent Dain Rauscher Wessels conference is the need for personnel. ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Logging system. (Halliburton's RMT Elite) (Brief Article) Halliburton's RMT Elite is a slim-hole pulsed neutron logging system for monitoring and mana ging the production of hydrocarbon reserves. This through-tubing carbon/oxygen system has 2- 3 times higher measurement resolution than other systems ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Re-entry in US Gulf first offshore test well for Anaconda system. North Sea ultimate destination Producers will have a better opportunity to evaluate the Anac onda drilling system as Halliburton gears up to drill its first offshore well using the revo lutionary equipment. While the proposed three-well ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971596934 3. Report Type M 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 230600 3. Report Type M 4. Company Name Hallib urton Denmark A/S 5. Address Storstromsvej 6 6. Postal Code 6715 ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Throwing off subsea shackles. VRVT transducers manufactured by Penny & Giles Controls have been incorporated in special al uminium subsea cylinders that are used todisconnect offshore oil pipeline bundles from towin g vessel wires. A total of 40 cylinders, which weigh a ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Oil and gas business mentoring. A new scheme - the Oil and Gas Business Mentoring Initiative - has been launched in the UK i n a bid to promote greater understanding between companies in the UK offshore oil and gas se ctor. The scheme aims to help small and medium-sized ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Bad weather may force divers to stop work aboard Kursk. Divers may stop working aboard the sunken submarine Kursk in the Barents Sea in the middle o f next week, Russian and U.S.-Norwegian firms involved in this operation said. ...
11/01/2000	5,854,600	$38.563	4.047%	Factiva	Singing the blues rinse; They're on the Road to Heaven, and it's paved with everything fr If you think the idea of an 88-year-old woman doing the splits is eccentric, then prepare yo ur jaw for a speedy descent to the floor. From tonight at the Lyric Theatre, Hammersmith, a group of pension-waving singers will bombard the ...
11/02/2000	3,270,300	$37.688	(2.269%)	Factiva	GeoGraphix Increases Staff in the Europe Region WEYBRIDGE, England--(BUSINESS WIRE)--Nov. 2, 2000--GeoGraphix, a division of Landmark Graphi cs Corporation, a wholly owned business unit of the Halliburton Company (NYSE:HAL), today an nounced that it has increased the staff size of the ...
11/02/2000	3,270,300	$37.688	(2.269%)	Factiva	US oil groups' Iraqi business. Millions of dollars of US oil business with Iraq are being channelled discreetly through Eur opean and other companies, in a practice that has highlighted the double standards now domin ating relations between Baghdad and Washington after a ...
11/02/2000	3,270,300	$37.688	(2.269%)	Factiva	ProSafe ASA wins GBP9m contract from Halliburton Subsea The Norwegian offshore services group ProSafe ASA has received a 163-day contract for its mu lti-service vessel MSV Regalia from Halliburton Subsea. ...
11/02/2000	3,270,300	$37.688	(2.269%)	Factiva	Shell awards Halliburton, Baker-Hughes Nigeria contracts. LAGOS, Nov 2 (Reuters) - Royal Dutch/Shell's Nigerian producing unit said it had awarded two new drilling contracts for its EA offshore oil field in the Niger Delta where it hoped to s

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/02/2000	3,270,300	837.688	(2.263%)	Factiva	trike the first crude in April 2001. ...
11/02/2000	3,270,300	837.688	(2.263%)	Factiva	Subsea Support Contract to ProSafe. The ProSafe owned multi-service vessel MSV Regalia is awarded a 165 day contract for BP West of Shetland in 2001. The contract covers subsea construction support, and ProSafe will supp ly the MSV Regalia including marine crew and catering ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	SAMOTLORNEFTEGAZ DIRECTOR GENERAL APPOINTED The new director general of Samotlorneftegaz (SNG, Tyumen Oil Company, TNK, subsidiary) is V yacheslav Nyunyalkin. Nyunyalkin was earlier chief engineer of Nizhnevartovsk Oil and Gas Pr oduction Company. Former SNG director general Valery ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	A discreet way of doing business with Iraq. Millions of dollars of US oil business with Iraq are being channelled discreetly through Eur opean and other companies, in a practice that has highlighted the double standards now domin ating relations between Baghdad and Washington after a ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	Cheney Broke His Word on Dealing With Iraq WASHINGTON, Nov. 3 /PRNewswire/ -- An article appearing yesterday on the Financial Times Int ernet site indicates that between September 1998 and last winter GOP Vice Presidential cand idate Dick Cheney -- as CEO of Halliburton, a leading ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	Halliburton Presentation DALLAS, Nov. 3 /PRNewswire/ -- Halliburton Company (NYSE: HAL) plans to make a presentation to the investment community at the Merrill Lynch Global Energy Conference in New York City o n Wednesday, November 8, at 8:00 AM Eastern Standard ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	HALLIBURTON TO RECEIVE ACCESS TO RUSSIAN OIL AND GAS MARKET Halliburton, the company providing the platform "Regalia" at the site where the Kursk submar ine sank in the Barents Sea, is participating in the recovery operation with a loss. In an a rticle entitled "Kursk Opens Access to Russian Oil" the ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	Shell Awards Drilling Contracts Royal Dutch/Shell a Nigerian producing unit has awarded two new drilling contracts for its E A offshore oil field in the Niger Delta, where it hopes to strike the first crude in April 2 001. ...
11/03/2000	3,398,100	837.688	0.000%	Factiva	Oilmen ride Bush bandwagon Oilmen ride Bush bandwagon. Republican vice-presidential candidate Richard Cheney, ex-boss of oilfield giant Halliburton , is a winner with the US oil industry D A Y C F R E C K O N I N G A T C S R A L L O T B O x ...
11/03/2000	3,398,100	837.688	0.000%	PR News	Halliburton Presentation
11/04/2000				Factiva	Kursk recovery effort will end November 11 - Russian admiral MOSCOW, Nov 4 (AFP) - Efforts to recover bodies from the Kursk submarine will end November 1 1, Russian navy chief Admiral Vladimir Kuroyedov said Saturday, cited by Itar-Tass ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/04/2000	.	.	.	Factiva	Kursk recovery effort will end November 11: Russian admiral ATTENTION - REPETITION fixing MOSCOW, Nov 4 (AFP) - Efforts to recover bodies from the Kursk submarine will end November 1 1, Russian navy chief Admiral Vladimir Kuroyedov said Saturday, cited by Itar-Tass. ...
11/04/2000	.	.	.	Factiva	Kursk recovery effort will end November 11: Russian admiral ATTENTION - ADDS details, INC MOSCOW, Nov 4 (AFP) - Efforts to recover bodies from the Kursk submarine lying stranded at t he bottom of the Barents Sea will definately end November 11, Russian navy chief Admiral Vla dimir Kuroyedov said Saturday, cited by Itar-Tass. ...
11/04/2000	.	.	.	Factiva	"Kursk" sub mission to end next week. Operations to evacuate sailors' bodies from the submarine "Kursk" will end on November 11 un der a contract between the St.Petersburg-based Rubin design bureau of marine technologies an d the Norwegian-registered U.S. company Halliburton ...
11/05/2000	.	.	.	Factiva	Kursk search operation to end on Nov. 11. MOSCOW, NOV. 4. The operation to recover bodies from the sunken Kursk submarine will continu e for another week, a news agency said quoting the Russian naval chief as saying. ...
11/06/2000	3,569,500	$38.250	1.4934%	Factiva	RAISING THE KURSK WOULD COST $50 MILLION - HALLIBURTON REPRESENTATIVE. ST. PETERSBURG, Nov 5 (Interfax-Northwest) - It would cost an estimated $50 million to raise Russia's sunken nuclear submarine Kursk from the Barents Sea floor in an operation slated f or next summer, a representative of the Norwegian ...
11/06/2000	3,569,500	$38.250	1.4934%	Factiva	Bonanza time for oil services.(Brief Article) Oil service firms are posting sharply higher profits for the third quarter, tracking the goo d fortune of oil firms. The three largest drilling and service companies Halliburton, Schlum berger and Baker Hughes -- recorded robust third-quarter ...
11/06/2000	3,569,500	$38.250	1.4934%	Factiva	DO CEOs VOTE? NOT ALWAYS--AND NOT OFTEN Of 100 top execs examined, most were inconsistent As CEO of Halliburton, Dick Cheney helped bankroll a lot of political campaigns. He apparent ly figured that was enough, since when Election Day rolled around, Cheney often didn't bothe r going to the polls. The onetime Defense Secretary ...
11/06/2000	3,569,500	$38.250	1.4934%	Factiva	HALLIBURTON TO REORGANIZE ITS E&C COMPANIES Halliburton Co. will reorganize to place all its engineering and construction services under the Kellogg Brown & Root name, KBR officials confirmed last week. They deny that the busine sses, including oilfield E&C services, are being ...
11/07/2000	3,838,200	$38.000	(0.6544)	Deutsche Bank Reso	Initiating Coverage on Halliburton Company with a Strong Buy Rating
11/07/2000	3,838,200	$38.000	(0.6544)	Factiva	Shaw Industries Ltd. and Halliburton Company announce investment byBredero-Shaw in Gulf o From: Press Release -- November 7, 2000 TORONTO and DALLAS, Texas - Shaw Industries Ltd. (TS E: SHL.A, SHL.B) and Halliburton Company (NYSE: HAL) announced that their joint venture enti

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ty. Bredero-Shaw, will invest U.S. $30 million in an ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Norwegian ship leaves Kursk site. The support vessel for the divers involved in the Kursk recovery operation, the Regalia, has ceased work in the Barents Sea and left for Norway, Russian NTV International television reported, quoting officials of the Halliburton company, ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Russian NTV says Norwegian ship leaves Kursk site. Text of report by Russian NTV International television on 7th November This afternoon Halliburton company officials said that the Regalia [recovery] ship had ceased all work in the Barents Sea and left for Norway. According to our ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Shaw Industries Ltd Cl A - Shaw's Bredero-Shaw to invest in Mobile facility Mr. Brian Conrey reports Shaw Industries and Halliburton Co.'s joint venture entity, Bredero-Shaw, will invest $30-million (U.S.) in an integrated pipecoating and fabricating facility near Mobile, Ala. The facility will serve the offshore ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Regalia platform leaves disaster site of Kursk The Norwegian offshore platform Regalia, which was the base for the recovery operation to retrieve bodies from the sunken nuclear submarine Kursk, has reportedly left the site of the disaster in the Barents Sea. ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Landmark Graphics Teams With The Breehear Group Management Consulting Firm - Two Companies Join Forces to Improve Portfolio Management Solutions - DALLAS, Nov. 7 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced that it is teaming with ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	SembCorp bags 3 jobs worth $200m. SEMBCORP Engineering's oil and gas division, Sembawang Marine & Offshore Engineering, has landed three contracts worth a total of about $200 million. ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	RESEARCH ALERT-Halliburton started as strong buy. NEW YORK, Nov 7 (Reuters) - Deutsche Banc Alex. Brown said Tuesday it initiated coverage of oilfield services firm Halliburton with a strong buy rating. ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Shaw Industries Ltd. and Halliburton Company announces investment by Bredero-Shaw in Gulf TORONTO and DALLAS, TX, Nov. 7 /CNW/ - Shaw Industries Ltd. (TSE: SHL.A, SHL.B) and Halliburton Company (NYSE: HAL) announced that their joint venture entity, Bredero-Shaw, will invest U.S. $30 million in an integrated pipecoating and ...
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	Bredero-Shaw To Invest $30M In Ala. Pipecoating Facility TORONTO -(Dow Jones)- Bredero-Shaw, a joint venture of Shaw Industries Ltd. (SHL.B) and Halliburton Co. (HAL), plans to invest $30 million in an integrated pipecoating and fabricating facility near Mobile, Ala. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/07/2000	3,838,200	$38.000	(0.654%)	Factiva	REGALIA COMPLETES WORK IN BARENTS SEA, SETS OUT FOR NORWAY - NTV TELEVISION. MOSCOW, Nov 7 (Interfax) - The Norwegian multifunctional vessel-platform Regalia wrapped up work at the site of the Kursk submarine disaster in the Barents Sea on early Tuesday afterno on and set out for Norway, the independent Russian ...
11/07/2000	3,838,200	$38.000	(0.654%)	PR News	Landmark Graphics Teams With The Brasheer Group Management Consulting Firm
11/08/2000	3,189,200	$38.500	1.316%	Factiva	RUSSIA ABANDONS RECOVERY EFFORT FOR SUNKEN KURSK SUBMARINE Leaving behind a wreath of flowers, the Norwegian seagoing platform Regalia on Tuesday depar ted the scene of the sunken Russian submarine Kursk after a recovery mission that brought ba ck 12 of the 118 victims and shed light on massive ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	TO RAISE THE KURSK WOULD COST $50 MILLION - HALLIBURTON. ST. PETERSBURG, Nov 8 (Interfax-Northwest) - It would cost an estimated $50 million to raise Russia's sunken nuclear submarine Kursk from the Barents Sea floor in an operation slated f or next summer, a representative of the Norwegian ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	LEADON SUBSEA AWARD GOES TO HALLIBURTON Kerr-McGee is understood to have awarded the UK's largest subsea contract for this year, wor th up to US $90m, to Halliburton Subsea. The operator is expected to announce the award soon , but EOPN hears that Halliburton Subsea was told it had ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	REGALIA TO SCHIEHALLION ProSafe has won a US $13m, 165-day contract from Halliburton for subsea construction support for BP's Schiehallion field west of Shetland. ProSafe will use the multi service vessel Reg alia starting in April next year. It will supply the ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	Dangers on the Kursk force divers to wrap up recovery mission Leaving behind a wreath of flowers, the Norwegian seagoing platform Regalia yesterday left t he scene of the sunken Russian submarine Kursk after a recovery mission that brought back 12 of the 118 victims and shed light on massive damage ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	Oilfield Services and Equipment - Deutsche Banc Alex. Brown's Arvind Sanger Initiates Cov NEW YORK, Nov. 8 /PRNewswire/ -- Deutsche Banc Alex. Brown analyst Arvind Sanger yesterday s tarted coverage of the oilfield services and equipment sector with the initiation of 21 comp anies. Sanger's investment favorites include shares of ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	HALLIBURTON CO - Investment By Bredero-Shaw In Gulf of Mexico Integrated - Deepwater Faci New York, New York, Nov. 08, 2000 (Market News Publishing via COMTEX) - Shaw Industries Ltd. and Halliburton Company announced that their joint venture entity, Bredero-Shaw, will inves t U.S. $30 million in an integrated pipecoating and ...
11/08/2000	3,189,200	$38.500	1.316%	Factiva	SHAW INDUSTRIES LTD - Investment By Bredero-Shaw In Gulf of Mexico Integrated - Deepwater Toronto, Ontario, Nov. 08, 2000 (Market News Publishing via COMTEX) - Shaw Industries Ltd. a nd Halliburton Company announced that their joint venture entity, Bredero-Shaw, will invest U.S. $30 million in an integrated pipecoating and ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/09/2000	3,189,200	$38.500	1.3169	Factiva	Kursk Recovery Efforts Halted; Norwegian Platform Departs; Investigating Body to Meet MOSCOW, Nov. 7 -- Leaving behind a wreath of flowers, the Norwegian seagoing platform Regali a today departed the site of the sunken Russian submarine Kursk after a recovery mission tha t brought back the bodies of 12 of the 118 victims and ...
11/08/2000	3,189,200	$38.500	1.3169	Factiva	RUSSIA CALLS OFF KURSK RECOVERY Leaving behind a wreath of flowers, the Norwegian seagoing platform Regalia on Tuesday depar ted the scene of the sunken Russian submarine Kursk after a recovery mission that brought ba ck 12 of the 118 victims and shed light on massive ...
11/08/2000	3,189,200	$38.500	1.3169	Factiva	SEMBCORP WINS 3 CONTRACTS WITH MAJORS Singapore's Sembawang Marine and Offshore Engineering, the oil and gas division of SembCorp Engineering (SembENG), has been awarded three contracts worth $$200-mil ($115.3-mil). ...
11/08/2000	3,189,200	$38.500	1.3169	Factiva	Russian sub search done for now MOSCOW - Leaving behind a wreath of flowers, the Norwegian seagoing platform Regalia on Tues day left the scene of the sunken Russian submarine Kursk after a recovery mission that broug ht back 12 of the 118 victims and shed light on massive ...
11/08/2000	3,189,200	$38.500	1.3169	Factiva	ON24 Audio Investor Alert: Stock Spotlight: Analyst Says Halliburton Stands to Profit --(BUSINESS WIRE)-- Corey McElveen with Morningstar.com explains how oil stocks might benefi t from the results of the election. For the complete streaming audio story users should acce ss ...
11/08/2000	3,189,200	$38.500	1.3169	PR News	Oilfield Services and Equipment - Deutsche Banc Alex. Brown's Arvind Sanger Initiates Covera ge of the Industry
11/09/2000	3,767,900	$37.938	(1.4618)	Factiva	Multicounty grand jury challenged OKLAHOMA CITY (AP) - Oklahoma's multicounty grand jury system is under attack from an Oklaho ma City attorney who claims it is an "investigative arm of the attorney general's office" th at issues "sham indictments." ...
11/09/2000	3,767,900	$37.938	(1.4618)	Factiva	Notes of Kursk crew recovered from 4th section of sunken submarine. Text of report by Russian news agency Interfax Moscow, 9th November: During the operation, w hich was aimed to lift the bodies from the Kursk submarine and which was carried out jointly with the Halliburton firm, "the crew's notes and a ...
11/09/2000	3,767,900	$37.938	(1.4618)	Factiva	Lawyer fights to defend ex-agency official Oklahoma's multicounty grand jury is an "investigative arm of the attorney general's office" that issues "sham indictments," Oklahoma City attorney Janet Halliburton charged Wednesday. ...
11/09/2000	3,767,900	$37.938	(1.4618)	Factiva	Bredero-Shaw Looks Offshore. Bredero-Shaw, a joint venture of Halliburton and Shaw Industries, will spend $30 million to build an integrated pipecoating and fabricating facility targeted at the offshore deepwater

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					market. ...
11/10/2000	2,710,800	$37.125	(2.142%)	Factiva	OPERATION AIMED AT RAISING THE KURSK SUBMARINE CREW CONTINUES. Igor Spassky, General Director of the Rubin Central Design Bureau that designed the Kursk sa id that divers would cut a technological window in the fourth compartment by 4 p.m. November 4. ...
11/10/2000	2,710,800	$37.125	(2.142%)	Factiva	Hess Hopes To Hang On To Lasmo Assets In Libya. Lawyers will be working overtime to ensure that US-based Amerada Hess gets to keep the inter ests in Libya and Iran that it has acquired through its $3.5 billion takeover of UK-based La smo (EIG's Energy Intelligence Briefing, Nov.6). ...
11/10/2000	2,710,800	$37.125	(2.142%)	Factiva	Triple boost for SembCorp oil and gas division. SEMBCORP Engineering's oil and gas arm has clinched offshore contracts worth a total $$200m (US$116.9m), writes Marcus Hand, Singapore. Sembawang Marine and Offshore, SembCorp Engineer ing's oil gas unit, has won contracts for an offshore ...
11/10/2000	2,710,800	$37.125	(2.142%)	Factiva	Triple joy for Sembe Wang. SEMBAWANG Marine and Offshore Engineering this week said it had clinched three major contrac ts with a total value of S$200 million (US$116 million). ...
11/10/2000	2,710,800	$37.125	(2.142%)	Factiva	NYSE Most Actives - Composite Trades 4-6:30 P.M. 12,252,700 Gen Electric 53.875 dn .188 5,553,500 Honeywell Intl 33.375 dn .313 11,963,300 He wlett Packard 39.750 dn 3.250 2,007,900 Healthsouth Cp 11.688 dn .062 787,000 Sysco Corp 34. 125 up ...
11/12/2000	.	.	.	Deutsche Bank Rese	Surveying the Prospects: Oilfield Services Weekly Ruminations
11/12/2000	.	.	.	Factiva	NEWS QUESTIONS & ANSWERS Q: I'd like to know more about the Blue Marlin, the vessel bringing the damaged destroyer Co le back to the United States. Do you have any information? ...
11/13/2000	4,237,300	$36.750	(1.010%)	Factiva	OPEC and US companies are hoping for Bush victory From: Petrostrategies -- As the Bush-Gore political saga rages on, most of OPEC's member-sta tes and majority of large US oil firms are said to be hoping that George W. Bush will emerge as the winner in the presidential race. This sentiment ...
11/13/2000	4,237,300	$36.750	(1.010%)	Factiva	INTERNATIONAL CONSORTIUM FOR RAISING SUBMARINE KURSK TO BE FORMED WITHIN MONTH. MOSCOW, Nov 13 (Interfax) - The international consortium that will raise the Russian submari ne Kursk from the Barents Sea floor next summer will be formed within a month, Deputy Russia n Prime Minister Ilya Klebanov, head in charge of the ad ...
11/13/2000	4,237,300	$36.750	(1.010%)	Factiva	INTERNATIONAL CONSORTIUM FOR RAISING THE KURSK TO BE FORMED WITHIN MONTH - KLEBANOV. MOSCOW.-Nov 13 (Interfax) - An international consortium for raising the sunken submarine Kur sk next summer will be set up within a month, Deputy Russian Prime Minister and head of the

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					governmental commission investigating the sinking Ilya ...
11/13/2000	4,237,300	936.750	(1.010%)	Factiva	Stocking the candidates Cash gifts are so impersonal. The storm of controversy stirred up by the stock options given to Republican vice presidential nominee Richard Cheney by Halliburton (NYSE: HAL), the oil services company he led for five years, reveals how sensitive the electorate is about ...
11/13/2000	4,237,300	936.750	(1.010%)	Factiva	Hess Raises Pressure On US Sanctions In Lybia, Iran. Time could play into the hands of Amerada Hess as it fends off accusations that the activities of newly acquired UK-based Lasmo in Iran and Libya breach US sanctions. Hess hopes to retain Lasmo's interests in these 'rogue' states through a ...
11/13/2000	4,237,300	936.750	(1.010%)	Factiva	Deputy PM, "Lifting Of Kursk Submarine Is To Begin In July 2001". Deputy Prime Minister Ilya Klebanov told reporters that a decision on lifting the Kursk nuclear submarine had already been made, and according to preliminary information, this operation is to begin in July 2001. An international consortium ...
11/13/2000	4,237,300	936.750	(1.010%)	Factiva	PIPECOATING JV Halliburton and Shaw Industries said Nov 7 that their existing joint venture, Bredero-Shaw, will invest $30-mil in an integrated pipecoating and fabricating facility near Mobile, Alabama. The companies said the plant will serve the offshore ...
11/13/2000	4,237,300	936.750	(1.010%)	Factiva	Mermaid Marine Australia Limited (MRM.AX) Chairman's Address toAGM. MERMAID ACQUIRES NEW $1M VESSEL FOR $2.7M. HALLIBURTON SIGNS UP FOR $11.2M 10 YEAR RENTAL AGREEMENT ON DAMPIER BASE. 2000/2001 EARNINGS ON TRACK FOR ESTIMATED EBIT OVER $4M. ...
11/13/2000	4,237,300	936.750	(1.010%)	Jefferies & Compan	Halliburton Company: HAL Files Third Quarter 10-Q; Asbestos Liabilities Remain In Check
11/13/2000	4,237,300	936.750	(1.010%)	Jefferies & Compan	Morning Meeting Notes for (Monday), November 13, 2000
11/14/2000	3,065,800	937.625	2.381%	Factiva	Deepwater Facility MOBILE, Ala. (AP) - A $30 million pipecoating and fabricating plant to service the offshore drilling industry will create about 125 jobs in Mobile, company officials said. ...
11/14/2000	3,065,800	937.625	2.381%	Factiva	The Traveler Not many of us remember when travel was glamorous, and gone are the days when people got dressed up to go to the airport. But of course, traveling will always be enticing and there are still plenty of trips that are adventurous, culturally ...
11/14/2000	3,065,800	937.625	2.381%	Factiva	Deepwater Facility MOBILE, Ala. (AP) - A $30 million pipecoating and fabricating plant to service the offshore drilling industry will create about 125 jobs in Mobile, company officials said. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/14/2000	3,069,800	$37.625	2.381%	PR Newswire	Landmark Graphics Teams Together With Strategic Systems
11/15/2000	3,537,200	$38.750	2.990%	Factiva	Halliburton bags major North Sea pipeline deal. US ENERGY giant Halliburton has won a #65 million ($90 million) North Sea contract that will help secure up to 400 jobs at the group's specialist pipeline yard in Caithness until well into next year. ...
11/16/2000	3,303,500	$38.188	(1.452%)	Factiva	"TYUMEN OIL" SIGNS AGREEMENT WITH U.S. EX-IM BANK ON CREDIT GUARANTEES. The Tyumen Oil Company recently signed an agreement with the American Ex-Im Bank regarding o n a credit to reconstruct the Ryazan oil refinery, which is a "Tyumen" subsidiary. The agree ment involves the second tranche of a $217 million ...
11/17/2000	4,316,800	$37.188	(2.619%)	Factiva	Darnell due for a revisit to Big 12 Gary Darnell certainly had the pedigree of a head football coach when he joined John Mackovi c's staff at the University of Texas in 1992. He had directed defenses at Notre Dame and Flo rida, even serving as interim head coach for the Gators. ...
11/20/2000	3,381,300	$36.500	(1.849%)	Factiva	CHINA'S PETROCHEMICAL BOOM SHOWS LITTLE SIGN OF SLACKING. China National Offshore Oil Corp. (CNOOC) on Nov. 6 issued tenders to four foreign engineeri ng companies for construction of a major natural gas-fed fertilizer plant in southern China. ...
11/20/2000	3,381,300	$36.500	(1.849%)	Factiva	New subsea support contract awarded the MSV Regalia. The ProSafe owned multi service rig MSV Regalia is awarded a 26-day timecharter contract for PGS and Halliburton on the Banff-field on the UK sector of the North Sea. The contract cove rs subsea construction support. The contract will ...
11/21/2000	2,995,500	$36.313	(0.514%)	Deutsche Bank Rese	Legging Large-Cap with Compelling Valuation
11/21/2000	2,995,900	$36.313	(0.514%)	Factiva	Landmark Grants U.S. $9.0 Million in Integrated Software and Services To Memorial Univers - Company's Grant to Benefit Students With Latest Technology - DALLAS, Nov. 21 /CNW/ -- Land mark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), announced earlier this year that it has granted U.S. ...
11/22/2000	2,259,100	$35.875	(1.205%)	Factiva	Former Knoxville teacher honored Former Knoxvillian Dennie Parker Cannon received an award of $10,000 when she won the Jeffer son County, Ky., Amgen Award for Teacher Excellence for 2000. The award was presented for th e fourth year by the Amgen Foundation, a biotechnology ...
11/22/2000	2,259,100	$35.875	(1.205%)	Factiva	Lawyer loses bid to defend health official An Oklahoma City attorney lost her appeal Tuesday to overturn a state grand jury judge's ru ling keeping her from representing a former state Health Department deputy commissioner. ...
11/22/2000	2,259,100	$35.875	(1.205%)	Factiva	Suit challenges Cheney's residency Three Texas voters have sued to block Gov. George W. Bush's election as president by challen ging running mate Dick Cheney's status as a Wyoming resident. The lawsuit was filed hours af

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ter a similar lawsuit was dismissed in Florida. The suit ...
11/23/2000	.	.	.	Factiva	THE AMERICAS - Cheney - long history of heart problems. Campaign aides told new Mr Cheney, then heading Halliburton, the energy services conglomerat e, had been exercising on his treadmill at home when George W. Bush called to make a formal offer to join the ticket. ...
11/24/2000	920,100	$37.000	3.136%		
11/26/2000	.	.	.	Deutsche Bank Rese	Surveying the Prospects: Oilfield Services Weekly Ruminations
11/27/2000	1,630,100	$36.688	(0.845%)	Factiva	Halliburton lands Allseas contract From: Gulf of Mexico Newsletter -- Allseas has contracted Halliburton Subsea to provide remo tely-operated vehicle and survey support for deepwater pipelaying operations in the US Gulf, offshore Mexico and Trinidad. Pipelaying is slated to ...
11/27/2000	1,630,100	$36.688	(0.845%)	Factiva	Expandable tubulars set new records. Expandable liner and sand-screen technologies are setting new records and being installed in more-difficult environments. Enventure Global Technology, a company formed by Shell Technol ogy Ventures Inc. and Halliburton Energy Services, said ...
11/27/2000	1,630,100	$36.688	(0.845%)	Factiva	INDUSTRY MUST EMBRACE E-COMMERCE INNOVATION, HALLIBUATON EXEC MAINTAINS When Robert Peebler asked for a show of hands of those who weren't unhappy about technology stocks' meltdown, he got an audience full of response. ...
11/27/2000	1,630,100	$36.688	(0.845%)	PR News	Landmark Graphics Delivers 'Customer-Driven' Internet Service
11/28/2000	2,461,400	$35.813	(2.385%)	Factiva	Extra boost for Aberdeen store. Extra boost f.. Aberdeen store TESCO yesterday opened the first phase of its new Tesco Extra superstore in Aberdeen. The three-phase development is the second of its kind in Scotland, following the opening of a similar store in Inverness ...
11/28/2000	2,461,400	$35.813	(2.385%)	Factiva	$33m Heton deal. HALLIBURTON Brown & Root has won a $33m project management services and engineering contract to develop BP-Amoco's small Heton gas field in the southern sector of the North Sea. ...
11/28/2000	2,461,400	$35.813	(2.385%)	Factiva	Petroleum Industry Pumps Up Customer Relationship Management With Astea's ServiceAlliance HORSHAM, Pa., Nov. 28 /PRNewswire/ -- Astea International Inc. (Nasdaq: ATEA) announced that Wayne Dresser UK Ltd. -- part of the Wayne Division of Dresser Equipment Group which is a b usiness unit of Halliburton Company (NYSE: HAL) -- is ...
11/28/2000	2,461,400	$35.813	(2.385%)	Factiva	Petroleum Industry Pumps Up Customer Relationship Management With Astea International Inc Date Announced: 20001128 Astea International Inc. announced that Wayne Dresser UK Ltd., part of the Wayne Division of Dresser Equipment Group which is a business unit of Halliburton Co

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					mpany, has selected Astea's ServiceAlliance eCRM ...
11/28/2000	2,461,600	835.813	(2.389%)	PR News	Petroleum Industry Pumps Up Customer Relationship Management With Astea's ServiceAlliance(R)
11/29/2000	4,147,200	834.750	(2.967%)	Factiva	LANDMARK WON SOCAR'S TENDER FOR CREATION OF A COMMON GEOPHYSICAL DATA BASE. BAKU, 29 NOVEMBER, AZER-PRESS. SOCAR has summed up the tender for creation of a common geoph ysical data base, declared last year - Landmark, member of the British-US Halliburton, is th e winner. ...
11/29/2000	4,147,200	834.750	(2.967%)	Factiva	Federal judge expected this week to rule on Cheney residency case DALLAS (AP) - A Dallas federal judge known as a conservative constructionist could take the unlikely step of blocking Gov. George W. Bush from becoming president. But his decision is n ot likely to be influenced by partisanship, colleagues ...
11/29/2000	4,147,200	834.750	(2.967%)	Factiva	BP SEEKS MOTON LIGHTWEIGHT SOLUTION A tender is expected to go out to the market in the first quarter of 2001 for a minimal faci lity wellhead platform for BP's Moton gas project which will be "significantly less" than 1, 000t ...
11/29/2000	4,147,200	834.750	(2.967%)	Factiva	BP SEEKS MOTON LIGHTWEIGHT SOLUTION A tender is expected to go out to the market in the first quarter of 2001 for a minimal faci lity wellhead platform for BP's Moton gas project which will be "significantly less" than 1, 000t ...
11/29/2000	4,147,200	834.750	(2.967%)	Factiva	U.K. BP said Nov 28 it will develop the Moton gas field in the UK North Sea, which holds an estim ated 500 Bcf of gas, 200 Bcf of which BP plans to produce from the field's central zone. The engineering and project management services contract ...
11/30/2000	4,437,200	833.375	(3.957%)	Deutsche Bank Rese	Oilfield Services & Equipment Industry: Group Sells Off on Myriad Unspecific Concerns - Ris k/Reward Is Quite Compelling
11/30/2000	4,437,200	833.375	(3.957%)	Factiva	Russian official reveals details of consortium to lift the Kursk sub. Text of report in English by Russian news agency Interfax Moscow, 30th November: An internat ional consortium for lifting the sunken Russian submarine Kursk in the summer of 2001 is com prised of four firms: the US-Norwegian Halliburton, the ...
11/30/2000	4,437,200	833.375	(3.957%)	Factiva	HALLIBURTON CO, Inst. Equity Holders, 3Q 2000 (HAL) ISSUER: HALLIBURTON CO SYMBOL: HAL WASHINGTON (FFBN) -- The following table shows the 50 lar gest shareholders in HALLIBURTON CO (HAL) for the quarter ended Sep. 30, 2000, listed by hol ding size. ...
11/30/2000	4,437,200	833.375	(3.957%)	Factiva	KLEBANOV NAMES MEMBERS OF CONSORTIUM FOR LIFTING SUNKEN SUBMARINE. MOSCOW, Nov-30 (Interfax)-- An international-consortium for lifting the sunken Russian subma rine Kursk in the summer of 2001 is comprised of four firms: the U.S.-Norwegian Halliburton,

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					the Dutch Heerma and Smit International, and the ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Russia: International consortium will lift Kursk submarine nextSummer.(Brief Article) Russian Federation: International consortium composed of Halliburton (USA, Norway), Heerema (Netherlands), Smit International (Netherlands), and TsKB Rubin (St. Petersburg, Russia) wil l lift sank Kursk submarine next Summer. Submarine will ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Service & Supply Business News: Joint Ventures Landmark Graphics Corp., Dallas, a business unit of Halliburton Co., (NYSE: HAL) and The Dra shear Group have joined to offer a reservoir-based asset and portfolio management solution f or the exploration and production industry. ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Trendline: 'Our Model Is Goofed Up' Halliburton Exec Says Oil Industry Needs To Change When Robert Peebler asked for a show of h ands of those who aren't unhappy about tech stocks' meltdown, he got an audience full of res ponse. ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	DOT outlines challenges in deepwater future.(Deep Offshore Technology Conference)(Brief A Among the most significant challenges in deepwater development in the coming years will be r educing project cycle time by 25% and extending real-time operations to all services, accord ing to David Lesar, Chairman and CEO of Halliburton and ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Brown & Root Energy Services.(Brief Article) Brown & Root Energy Services (Halliburton) was awarded an engineering and project management services contract (EPMSC) by Kerr-McGee North Sea (U.K.) Ltd at a value of US$18 million.
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Company Profile for - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Dutch to Aid Kursk Lift. MOSCOW ue The federal government and the Brussels-based Kursk Foundation have selected two D utch companies to help lift the Kursk submarine in a joint effort with the Rubin design bure au and the Norwegian branch of U.S. oil services company ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	MISCELLANEOUS. KOMMERSANT-DAILY (MOSCOW). Yesterday vice-premier Ilya Klebanov told the Details of the oper ation on salvaging sub "Kursk" next summer. The operation will be carried out by the interna tional consortium, that includes three foreign companies ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Planet Ernst & Young Reaches Partnership Agreement with Brown &Root. Planet Ernst & Young, a Greek consultancy company, and Brown & Root of the US Halliburton gr oup have reached an agreement for cooperation in the sector of technical services, including the design, construction and implementation of projects ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Composition of Consortium for Kursk Lifting Approved. The operation for the lifting of the Kursk submarine in the summer of 2001 will be carried o ut by an international consortium of three foreign companies, namely, the US-Norwegian HALLI BURTON and the Dutch HEEREMA and SMIT INTERNATIONALE ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Integrated Solutions package realizes over $1 million in savings. Egypt -- Petrobel, the primary oil and gas operator in Egypt, wanted to develop the first ga s project in a Mediterranean field. The project consisted of drilling four wells and one re-entry and completion. Halliburton was originally ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Cement Plug technology sets long openhole and saves over $200,000 in drilling costs.(Mall Australia -- The customer's challenge was to set a long 600m open-hole cement plug with 65(d egrees) deviation in a gas well. Plugging back the water bearing zone had to be done in a fa ster, more efficient manner than conventional methods. ...
12/01/2000	4,744,100	$33.875	1.498%	Factiva	Delta Frac(sm) Service with Sand Wedge(sm) Conductivity Enhancer helps Texaco add coalbed New Mexico -- Texaco was producing gas from coalbed wells in New Mexico's San Juan Basin. Av erage total daily production from the ten wells had declined to about 6 mmcfpd. Texaco engin eers picked several of the wells that were ...
12/04/2000	3,779,200	$34.188	0.923%	Deutsche Bank Rese	Deutsche Bank Oilfield Services - Surveying the Prospects - Oilfield Services Weekly Ruminat ions
12/04/2000	3,779,200	$34.188	0.923%	Factiva	Quick takes: Topping pipeline news this week, Sonatrach... From: Oil and Gas Journal -- Sonatrach awarded two major construction contracts to build an 822-km pipeline between the southeast Haoud El Hamra oil field and the northwest port of Arz ew. The project has been divided into spreads of 419 and ...
12/04/2000	3,779,200	$34.188	0.923%	Factiva	HALLIBURTON WINS DEEP SURVEY SUPPORT CONTRACT Halliburton Subsea has won a contract from Allseas for ROV and survey deepwater pipelay supp ort services in the US Gulf of Mexico and Trinidad. ...
12/04/2000	3,779,200	$34.188	0.923%	Factiva	TOPPING PIPELINE. TOPPING PIPELINE NEWS THIS WEEK, Sonatrach awarded two major construction contracts, valued at a combined $185 million, to build an 822-km pipeline between the southeast Haoud El Hamra oil field and the northwest port of Arzew. The project ...
12/04/2000	3,779,200	$34.188	0.923%	Factiva	Halliburton Echoes View. Robert Peebler, vice president of e-business at Halliburton, argued upstream companies need to become "virtually integrated." A virtually integrated company, he said, only performs cor e tasks, leaving everything else to others. ...
12/04/2000	3,779,200	$34.188	0.923%	Factiva	A NEWPARK GUSHER? What happens to all the waste spewed out by oil and gas drilling? In spite of new technologi es that have sharpened drilling efficiency, analysts expect oil field detritus to hit the pe

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ek levels last reached in 1997. Such a concern, however ...
12/05/2000	2,786,800	$34.688	1.463%	Factiva	Interview: Don Degener discusses his involvement in cutting a hole in the side of the Kur NOAH ADAMS, host: One hundred eighteen sailors died when the Russian submarine Kursk sank in the Barents Sea in August. Two months after that, an international team of divers went to t he bottom to try to collect the remains of the dead ...
12/06/2000	3,401,100	$34.750	0.180%	Factiva	Cheney visits Dallas to attend retirement party DALLAS (AP) - Dick Cheney kept a low profile Wednesday, avoiding public appearances while in town for his retirement party at Halliburton Co. ...
12/06/2000	3,401,100	$34.750	0.180%	Factiva	Cheney visits Dallas to attend retirement party DALLAS (AP) - Dick Cheney kept a low profile Wednesday, avoiding public appearances while in town for his retirement party at Halliburton Co. ...
12/06/2000	3,401,100	$34.750	0.180%	Factiva	Cheney Attends Retirement Party DALLAS (AP) - Dick Cheney kept a low profile Wednesday, avoiding public appearances while in town for his retirement party at Halliburton Co. ...
12/06/2000	3,401,100	$34.750	0.180%	Factiva	Cheney In Dallas For Halliburton Retirement Party DALLAS (AP)--Dick Cheney kept a low profile Wednesday, avoiding public appearances while in town for his retirement party at Halliburton Co.(HAL) ...
12/07/2000	3,157,600	$35.875	3.237%	Factiva	Landmark Graphics Corporation, a unit of Halliburton Company, and Enterprise Oil Sign Mul Date Announced: 20001207 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, and Enterprise Oil announced the signing of an agreement. The agreement provides Enterpr ise with unlimited global access to Landmark's full ...
12/07/2000	3,157,600	$35.875	3.237%	Factiva	CHENEY ATTENDS COMPANY PARTY Dick Cheney kept a low profile Wednesday, avoiding public appearances while in town for his retirement party at Halliburton Co. Cheney stepped down as chairman and chief executive of t he oil services and construction company last summer ...
12/07/2000	3,157,600	$35.875	3.237%	PR News	Landmark and Enterprise Oil Sign Multiyear Contract
12/08/2000	2,428,500	$36.750	2.439%	Factiva	Halliburton delivers new real time MRI reservoir fluids analysis at thewellsite From: Press Release -- December 08, 2000 DALLAS, Texas - Halliburton Energy Services, throug h its NUMAR product service line, recently announced the global commercialization of its MRI L(Registered Trademark) PrimeTime(sup)T(sup)M log ...
12/08/2000	2,428,500	$36.750	2.439%	Factiva	Halliburton wins $30m North Sea gas contract. Halliburton Brown & Root has won the engineering and project management service contract for a $30m automated gas development in the southern basin of the North Sea. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/08/2000	2,428,500	$36.750	2.4394	Factiva	CHENEY PAL TAKING APPLICATIONS. WASHINGTON - Dave Gribbin may be the most wanted man in Washington right now. And he will be for the next six weeks if everything goes as planned. ...
12/08/2000	2,428,500	$36.750	2.4394	Factiva	Vietnam bid pair lead pack. HYUNDAI Heavy Industries and European Marine Contractors have emerged as the lowest bidders for the procurement, construction and installation of offshore facilities for BP-Statoil's $ 1.5 billion Nam Con Son gas project off south-east ...
12/10/2000	.	.	.	Factiva	RUSSIAN VICE PRIME MINISTER ILYA KLEBANOV RELEASED DETAILS OF FUTURE RUSSIAN VICE PRIME MINISTER ILYA KLEBANOV RELEASED DETAILS OF FUTURE OPERATIONS FOR THE LIFT ING OF KURSK SUBMARINE, WHICH WILL TAKE PLACE NEXT SUMMER. ST.PETERSBURG, RUSSIA. The operat ion will be carried out by an international consortium ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	Quick takes: Union Fenosa has awarded an engineering design services contractto M.W. Kell From: Oil and Gas Journal -- The London affiliate of Halliburton Co's Kellogg Brown & Root, M.W. Kellogg Ltd, was awarded a front-end engineering design services by the Union Fenosa's proposed LNG project in the northern Egyptian port of ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	VIRTUAL WORKSPACE DEVISED FOR OIL, GAS SECTOR. (Full text of a statement. Contact details below.) TEXAS, Dec 11/PRNewswire-AsiaNet - GrandB asin, an e-business venture of Halliburton Company (NYSE: HAL) and Science Applications Inte rnational Corporation (SAIC) GrandBasin ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	E-Workspace Venture To Transform Oil & Gas Exploration And Production HOUSTON, TX -- (INTERNET WIRE) -- 11-12-2000 -- GrandBasin, an e-business venture of Hallibu rton Company (NYSE: HAL) and Science Applications International Corporation (SAIC), today an nounced its executive management team of technology and ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	UNION FENOSA HAS AWARDED AN ENGINEERING DESIGN SERVICES CONTRACT TO M.W. KELLOGG FOR ITS Spanish utility Union Fenosa awarded a front-end engineering design services contract to M.W . Kellogg Ltd., the London affiliate of Halliburton Co.'s Kellogg Brown & Root, for Union Fe nosa's proposed LNG project in the northern Egyptian ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	E-Workspace Venture to Transform Oil & Gas Exploration and Production GrandBasin Names Executive Management Team HOUSTON, Dec. 11 /PRNewswire/ -- GrandBasin, an e -business venture of Halliburton Company (NYSE: HAL) and Science Applications International Corporation (SAIC), today announced its executive ...
12/11/2000	2,716,700	$37.938	3.2314	Factiva	Oil & Gas Exploration and Production to Be Transformed By E-Workspace Venture: GrandBasin Who: GrandBasin, an e-business venture of Halliburton Company (NYSE: HAL) and Science Applic ations International Corporation (SAIC). GrandBasin (www.grandbasin.com) will provide a vi rtual ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/11/2000	2,718,700	$37.938	3.231%	PR News	E-Workspace Venture to Transform Oil & Gas Exploration and Production
12/12/2000	1,730,700	$38.063	0.329%	Factiva	ANNOUNCEMENT. Fourth Annual Conference INVESTMENT OPPORTUNITIES IN KAZAKHSTAN WITH IMPORTANT CONTRIBUTIONS FROM: Foreign and Commonwealth Office EBRD Standard & Poor White & Case Deloitte & Touche K azkommertsbank ING Barings DB Securities ITIC Ispat ...
12/12/2000	1,730,700	$38.063	0.329%	RBC Capital Market	HAL:N-:CURRENT QUARTER UPDATE
12/13/2000	2,828,100	$37.625	(1.149%)	Factiva	CHENEY PAL TAKING APPLICATIONS. WASHINGTON - Dave Gribbin may be the most wanted man in Washington right now. And he will be for the next six weeks if everything goes as planned. ...
12/13/2000	2,828,100	$37.625	(1.149%)	Factiva	Companies Go on Hiring Spree for Engineers. A decision by the top two oil field service companies - Schlumberger and Halliburton - to dr astically increase engineering hires this year is translating into higher salaries and more job offers for soon-to-be graduates in petroleum ...
12/14/2000	2,612,100	$36.938	(1.827%)	Factiva	What's New Around The World. EGYPT - Spain's second largest power company Union Fenosa has lined up MW Kellogg and Japan's Chiyoda to submit two competing designs for its proposed LNG export plant at Damietta in n orthern Egypt. The award of a front end engineering ...
12/14/2000	2,612,100	$36.938	(1.827%)	Factiva	INTERNATIONAL CONSORTIUM COMPLETING FEASIBILITY STUDY OF KURSKRECOVERY. ST. PETERSBURG, Dec 14 (Interfax-Northwest) - An international consortium is wrapping up wor k on a feasibility study for the project of raising the sunken Russian nuclear submarine Kur sk from the bottom of the Barents Sea. ...
12/15/2000	2,810,300	$37.250	0.846%	Factiva	City oil firm's charity cash. City oil firm's charity cash ABERDEEN-based Halliburton Group has marked the millennium by g iving $30,000 to charity. Most recent beneficiaries are the Offshore Woman's Link Support Gr oup and the local Muscular Dystrophy Campaign, each of ...
12/15/2000	2,810,300	$37.250	0.846%	Factiva	Dick Cheney AGE: 59 BIRTH DATE Jan. 30, 1941 EDUCATION: B.A., University of Wyoming, 1965; M.A., Univers ity of Wyoming, 1966. Doctoral work at University of Wisconsin, 1966-68 EXPERIENCE: Vice Pre sident-elect (2000); chairman and chief executive of ...
12/15/2000	2,810,300	$37.250	0.846%	Factiva	Landmark and Marathon Oil Company Sign Multiyear Agreement - Strategic Relationship Is Key to Improving Business Processes - DALLAS, Dec. 15 /PRNewswir e/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NY SE: HAL), today announced that it has signed a multiyear ...
12/15/2000	2,810,300	$37.250	0.846%	Factiva	Husky shouts much on tender. HUSKY Energy has issued tender invites to four companies covering the engineering design, pr oject management, procurement, construction and installation of the subsea production system

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					for its delayed White Rose development off Newfoundland ...
12/15/2000	2,810,300	$37.250	0.8468	PR News	Landmark and Marathon Oil Company Sign Multiyear Agreement
12/18/2000	4,179,600	$38.750	4.0276	Factiva	CORPORATE. CORPORATE - Hiring sprees by the top two global oil service companies, Schlumberger and Hall iburton, are pushing up starting salaries dramatically for graduating engineering students (E&P's Oil Daily, Dec.13,p4). Schlumberger hopes to hire ...
12/18/2000	4,179,600	$38.750	4.0276	Factiva	Landmark Graphics Corporation, a business unit of Halliburton Company, Marathon Oil In To Date Announced: 20001215 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, announced that it has signed a multiyear international information technology agreement with Marathon Oil Company. The seven-year agreement ...
12/19/2000	4,180,700	$39.063	0.8066	Factiva	ANNOUNCEMENT. Fourth Annual Conference INVESTMENT OPPORTUNITIES IN KAZAKHSTAN WITH IMPORTANT CONTRIBUTIONS FROM: Foreign and Commonwealth Office EBRD Standard & Poor White & Case Deloitte & Touche K azkommertsbank ING Barings DB Securities ITIC Iapat ...
12/20/2000	4,414,400	$37.750	(3.3606)		
12/21/2000	3,080,200	$37.000	(1.9876)	A.G. Edwards & Son	Halliburton Company - E&C Business Restructuring Formally Announced - 4Q2000 EPS on Track
12/21/2000	3,080,200	$37.000	(1.9876)	CIBC World Markets	HAL: 4Q Outlook In Line With Prior Guidance; Restructuring Charge Announced
12/21/2000	3,080,200	$37.000	(1.9876)	Factiva	Halliburton to split into two divisions DALLAS (AP) - Oil services firm Halliburton Co. said Thursday it will take a $120 million ch arge in the fourth quarter, mostly due to cost overruns at several overseas projects, and re structure its engineering and construction business. ...
12/21/2000	3,080,200	$37.000	(1.9876)	Factiva	Halliburton to split into two divisions DALLAS (AP) - Oil-services firm Halliburton Co. said Thursday it will take a $120 million ch arge in the fourth quarter, mostly due to cost overruns at several overseas projects, and re structure its engineering and construction business. ...
12/21/2000	3,080,200	$37.000	(1.9876)	Factiva	Halliburton To Restructure Business DALLAS (AP) - Oil services firm Halliburton Co. said Thursday it will take a $120 million ch arge in the fourth quarter, mostly due to cost overruns at several overseas projects, and re structure its engineering and construction business. ...
12/21/2000	3,080,200	$37.000	(1.9876)	Factiva	Halliburton Announces New Structure and Engineering and Construc[illegible]rges DALLAS, Dec. 21 /PRNewswire/ -- In its third quarter earnings conf[illegible] Halliburton C ompany (NYSE: HAL) detailed its concerns regarding the poor near t[illegible]utlook for the downstream engineering and construction business and ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	EVENING Business Halliburton to divide: Halliburton Co., the world's biggest oilfield services company, said on Thursday that it will split into two business units. The move aims to turn around its tro ubled engineering and construction business, which will ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Brown & Root to Convert Tanker. Halliburton unit Brown & Root, subcontracted by Petrobras and Fels Setal, on Wednesday signe d a protocol of intentions for the conversion of a tanker into a floating production, storag e, and offloading vessel (FPSO) for use at the Caratinga ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Region's link to new global power broker. Us vice-president elect Dick Cheney had a major business interest in the Westcountry until t his July. Business Editor MARTYN OATES profiles George W Bush's right-hand man THE Westcount ry could have a powerful potential ally in the USA ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Keppel FELS signs Brazil tanker deal. SINGAPORE, Dec 21 (Reuters) - Singapore's Keppel FELS Energy & Infrastructure Ltd said on Th ursday its Brazilian unit signed a letter of intent with Halliburton Products Ltd for the m arine conversion of a tanker into a floating storage ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Halliburton says to restructure business into two units. DALLAS, Dec 21 (Reuters) - Halliburton Co. , the world's biggest oilfield services company, said on Thursday that it will split into two business units, a move aimed at turning around its troubled engineering and construction business. ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	UPDATE 1-Halliburton restructuring, dividing into two units. DALLAS, Dec 21 (Reuters) - Halliburton Co., the world's biggest oilfield services company, s aid on Thursday that it will split into two business units, a move aimed at turning around i ts troubled engineering and construction business. ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	UPDATE 2-Halliburton revamps oiling engineering business. (New material throughout, previous DALLAS| HOUSTON, Dec 21 (Reuters) - Halliburton Co., the world's biggest oilfield services company, announced plans on Thursday to cut costs and impr ove profitability at its engineering and construction ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	UPDATE 3-Halliburton revamps oiling engineering business. HOUSTON, Dec 21 (Reuters) - Halliburton Co., the world's biggest oilfield services company, announced plans on Thursday to cut costs and improve profitability at its engineering and co nstruction business. ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Halliburton Co. To Record $25M Charge DALLAS -(Dow Jones)- Halliburton Co. (HAL) plans to reorganize its engineering and construct ion operations following concerns about the near-term market outlook, and plans to take a re lated restructuring charge of $120 million in the fourth ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	News Highlights: AT&T Sued for Securities Fraud Top Of The Hour AT&T Sued for Securities Fraud After AT&T Wireless Offer >T Schering-Plough Seeks Marketing OK for Desloratadine Antihistamine Tablets >SGP Amerada Hess Won't Revise Le

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					and Offer >AMC Microsoft To Buy ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	SNC-Lavalin JV Gets Contract For Petro-Canada Project CALGARY -(Dow Jones)- Petro-Canada (PCZ) selected Wild Rose, a joint venture of SNC-Lavalin Group Inc. (T.SNC) and Halliburton Co.'s (HAL) Kellogg Brown & Root unit, as the managing co ntractor for a gasoline sulphur reduction project and ...
12/21/2000	3,080,200	$37.000	(1.987%)	Factiva	Halliburton Company Announces New Structure and Engineering andConstruction Charges Date Announced: 20001221 Halliburton Company announced that it will split into two business units, a move aimed at turning around its troubled engineering and construction business. Th e restructuring, as well as charges relating to ...
12/21/2000	3,080,200	$37.000	(1.987%)	PR News	Halliburton Announces New Structure and Engineering and Construction Charges
12/22/2000	3,002,500	$36.000	(2.703%)	ABN AMRO Global Re	Halliburton Company: Halliburton Provides Details on E&C Restructuring; No Chan
12/22/2000	3,002,500	$36.000	(2.703%)	CIBC World Markets	HAL: 4Q00 Outlook In Line With Prior Guidance; Restructuring Charge Announced
12/22/2000	3,002,500	$36.000	(2.703%)	Deutsche Bank Rese	HAL Provides Details on E&C Restructuring, Earnings Outlook and Stock Repurchase - Estimates and Rating Unchanged, But Potential for Upside Improving
12/22/2000	3,002,500	$36.000	(2.703%)	Factiva	Business Brief -- Halliburton Co.: Reorganization Will Bring $120 Million in Charges Halliburton Co. said it plans to take $120 million in charges in the fourth quarter related to the reorganization of its engineering and construction operations, which have struggled d espite higher oil and gas prices. The Dallas company ...
12/22/2000	3,002,500	$36.000	(2.703%)	Factiva	Dallas-Based Halliburton Plans a Split Into Energy, Construction Units Halliburton Co. will split into two business units, separating its prosperous oil-field serv ices business from its struggling engineering and construction operations, the company said Thursday. ...
12/22/2000	3,002,500	$36.000	(2.703%)	Factiva	Dallas-Based Oil Services Firm Halliburton to Take $120 MillionCharge Halliburton Co. warned Thursday that it will take a $120 million charge after taxes this que rter, with most of the write-offs the result of troubled projects. ...
12/22/2000	3,002,500	$36.000	(2.703%)	Factiva	HALLIBURTON SAYS IT WILL SEPARATE BUSINESSES The Halliburton Company said yesterday that it would reorganize to separate its engineering and construction businesses from its oil-field- services business. Analysts said the move mi ght be a prelude to a spinoff. The company said it would ...
12/22/2000	3,002,500	$36.000	(2.703%)	Factiva	COMPANY NEWS: HALLIBURTON SAYS IT WILL SEPARATE BUSINESSES Halliburton Co will reorganize to separate its engineering and construction businesses from its oil-field-services business

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	Delays, overruns costly at Halliburton DALLAS - Oil-services firm Halliburton Co. said Thursday it will take a $120 million charge in the fourth quarter, mostly due to cost overruns at several overseas projects, and restructure its engineering and construction business. ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	Halliburton shake-up HALLIBURTON, the oilfield company which until August was run by vice-president-elect Dick Cheney, is to split into two business units, a move aimed at turning around its troubled engineering and construction business. ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	PetroFels Brazilian unit strikes US$70m deal. PETROFEL Fels's Brazilian subsidiary Fels Setal SA has signed a letter of intent with Halliburton Productos to convert a tanker into a floating production and storage and offloading facility (FPSO), a deal that industry sources estimate to be ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	Halliburton Shuffles Business Divisions To Bring All Energy Services Under 1 Roof Halliburton reshuffled its business divisions Thursday in an effort to boost its troubled engineering and construction business. The company is combining most of its upstream engineering and construction division, Brown & Root Energy ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	RESTRUCTURING HALLIBURTON TO TAKE 4Q CHARGE Cost overruns one cause Oilfield service giant Halliburton said Dec 21 it will take a $120-mil ($0.28/share) after-tax charge in fourth-quarter 2000. The lion's share, $95-mil, covers labor disturbances and project cost overruns, mostly in Venezuela and West ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	NYSE Most Actives - Composite Trades 26,557,100 AT:T Corp 17.813 up 1.000 3,002,800 Halliburton 36.000 dn 1.000 17,608,830 Nortel Network 32.500 up .875 669,700 Glaxo Wellcome 54.750 up .750 7,665,500 SBC Communications 4 5.563 up ...
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	Halliburton plans a split into energy, construction units Halliburton Co. will split into two business units, seperating its prosperous oil-field services business from its struggling engineering and construction operations, the company said Thursday.
12/22/2000	3,002,500	836.000	(2.703%)	Factiva	Overruns, restructuring force Halliburton to take $120 millioncharge DALLAS -- Oil services firm Halliburton Co. said yesterday that it will take a $120 million charge in the fourth quarter, mostly due to cost overruns at several overseas projects, and restructure its engineering and construction business.
12/22/2000	3,002,500	836.000	(2.703%)	Jefferies & Compan	Halliburton Company: HAL Pre-Announces 4Q Earnings And Updates E&C Restructuring Efforts
12/24/2000				Factiva	Fabulous 55 Here is the Austin American-Statesman's list of the top 55 high school football recruits in Texas. List shows the player's position, height, weight, high school and college to which he

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/25/2000				Factiva	is committed or the schools he is considering. The ...
					Halliburton Shuffles Business Units. (536.1) Halliburton reshuffled its business divisions last week in an effort to boost its tr oubled engineering and construction business. The company is combining most of its upstream engineering and construction division, Brown & Root ...
12/26/2000	3,928,500	837.625	4.5148	Factiva	SMARTMONEY.COM: The Odds In Congress NEW YORK -(Dow Jones)- Options package or not, you knew the stint would come in handy. Just as he deftly guided the Street's earnings estimates when he was chief executive of Halliburt on (HAL), Vice-President-elect Dick Cheney spent much of ...
12/26/2000	3,928,500	837.625	4.5148	Factiva	NYSE Most Actives Composite Trades 1,737,800 USG Corp 22.125 dn 1.188 1,265,700 STMicroelectron 43.188 dn .312 949,600 AXA Fina ncial 55.938 up 1.438 550,800 Imperial Bcp 26.250 up .125 526,100 Gartner Group 5.980 dn ...
12/26/2000	3,928,500	837.625	4.9348	Factiva	SNC-Lavalin/Kellogg Brown & Root, a business unit of Halliburton Company, Joint Venture A Date Announced: 20001221 SNC-Lavalin and Kellogg Brown & Root, a business unit of Halliburto n Company, announced that their joint venture, named "Wild Rose", has been awarded the Manag ing Contractor's role for the gasoline Sulphur ...
12/27/2000	2,351,900	837.000	(1.6618)		
12/28/2000	2,979,800	837.125	0.3380	Factiva	News briefs from Southern California VENTURA, Calif. (AP) - Environmentalists fear a wave of offshore drilling with the arrival o f the George W. Bush administration and the future of 36 undeveloped oil leases in the Balan ce. ...
12/29/2000	2,811,200	836.250	(2.3570)	Factiva	Shell and Halliburton Company to Establish a 50-50 Joint Venture Date Announced: 20000412 Shell and Halliburton Company announced that they have signed a Mem orandum of Understanding for the establishment of a 50-50 joint venture to further develop a nd market Halliburton's SmartWell technology and ...
12/30/2000				Factiva	Faith pulls an Elkhart man from drugs to a family WAKARUSA, Ind. - A lot of blessings are being counted in Jonathan Halliburton's home. Seven adopted children top the list, followed by a stable marriage, a comfortable home and a stron g belief in the power of God. ...
12/30/2000				Factiva	Faith pulls an Elkhart man from drugs to a family WAKARUSA, Ind. - A lot of blessings are being counted in Jonathan Halliburton's home. Seven adopted children top the list, followed by a stable marriage, a comfortable home and a stron g belief in the power of God. ...
12/30/2000				Factiva	HUTTON, STEVEN ALLEN Steven Allen Hutton, an engineer with Halliburton Co., died Dec. 22 of injuries suffered in a traffic accident in Khafji, Kuwait. He was 42. Mr. Hutton was born in Dallas and lived in

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					Covington for the past 30 years. Survivors include two ...
01/01/2001	.	.	.	Factiva	Environmentally sensitive pumps.(joint venture between Mono Pumps, Baroid Drilling Fluids A joint-venture between Mono Pumps and Baroid Drilling Fluids, both part of the Halliburton company, resulted in a system that uses mono pumps to handle oil-based, mud-contaminated dri ll cuttings as opposed to the traditional, open system ...
01/01/2001	.	.	.	Factiva	Allseas lets contract.(Halliburton Subsea wins work)(Brief Article) Halliburton Subsea, a division of Halliburton's Brown & Root Energy Services, won an Allseas contract for ROV and survey deepwater pipelay support services in the US Gulf of Mexico. Th e work, which includes a number of separate deepwater ...
01/01/2001	.	.	.	Factiva	GrandBasin. Houston, an e-business venture of Halliburton Co. and Science Applications International Cor p. (SAIC), has named Lane F. Sloan president and CEO; Larry Kaufman vice-president of develo pment and operations; and Tina M. Sivinski vice ...
01/01/2001	.	.	.	Factiva	Oil industry's business model needs to change, Halliburton executive When Robert Peebler asked for a show of hands of oil-industry professionals who aren't unhap py about tech stocks' meltdown, he got an audience full of response. ...
01/01/2001	.	.	.	Factiva	Halliburton to acquire PGS Data Management Halliburton Co., Dallas, (NYSE: HAL) and Landmark Graphics Corp. plan to acquire PGS Data Ma nagement, a division of Petroleum Geo-Services ASA, Oslo, Norway, and Houston, (NYSE: PGO) a nd related software for $179 million. ...
01/01/2001	.	.	.	Factiva	The Royal Road To Romance / Fresh Air Fiend THE ROYAL ROAD TO ROMANCE. By Richard Halliburton Traveler's Tales, Inc. 303 pp. $14.98 FRES H AIR FIEND. By Paul Theroux. Houghton Mifflin. 466 pp. $27 ...
01/01/2001	.	.	.	Factiva	HEAVY DEAL FOR FASTTRAX. The Ministry of Defence has awarded a $300 million contract to Fasttrax, a consortium led by Halliburton Brown and Root, for the supply and maintenance over a 20-year period of 92 heav y equipment transporters. ...
01/01/2001	.	.	.	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB 67 6. Postal Code 4098 ...
01/01/2001	.	.	.	Factiva	Keppel FELS' Brazil unit gets FPSO conversion job. FELS Setal SA, the Brazilian subsidiary of Keppel FELS Limited, has signed a letter of intent with Halliburton Products Ltd for the marine conversion of a tanker, Stena Concordia into a Floating Production Storage and Offloading facility ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/01/2001				Factiva	H. W. Kellogg Ltd. awarded contract in Egypt. (Union Fenosa) (Brief Article) H.W. Kellogg Ltd. (HWKL), Kellogg Brown & Root's affiliate company in London, has been awarded a contract to provide front end engineering design (FEED) services for Union Fenosa's proposed Egyptian liquefied natural gas (LNG) project in ...
01/01/2001				Factiva	HALLIBURTON Oeco Type A. (Halliburton Energy Services) (Brief Article) (Illustration) (Static HALLIBURTON Oeco Type A is an integral joint, two-step straight thread connection with metal-to-metal pin flank seal and eater tapered shoulder that provides a seal and a make-up point. Straight thread design minimizes hoop stress ...
01/01/2001				Factiva	HALLIBURTON Oeco Type C. (thread is designed for medium weight pipe) (Brief Article) (Static HALLIBURTON Oeco Type C thread is designed for medium weight pipe. It provides the same integral joint, sealing, fast make/break and over 100% efficiency as Type A, but the heavier make-up shoulder makes it especially suitable for work ...
01/01/2001				Factiva	Hard whipstock cement plug placed in first attempt, and saves operator $100,000. (Halliburton New Mexico-The operator needed to place a cement plug in a 12,000-ft well to serve as a whipstock His challenge to Halliburton was to produce a plug that would drill harder than three minutes/ft at 60 rpm with 80,000 lb of weight on the bit ...
01/01/2001				Factiva	H2Zero(TM) treatment results in gas-free well producing 1900 BOPD, valued at $1.6M. (Brief Norway - Shortly after initial production, a well operated by Statoil was shut in. When lifting the well, a GOR of 700 indicated contribution of free gas in the top of the gravel packed open hole section, restricting the production level. ...
01/01/2001				Factiva	News: Technology News: Agreement for advanced technology Halliburton Energy Services Inc and MicroMining Technologies International Inc (MMI) finalized an exclusive multi-year international licensing agreement for MMI's advanced Oxidation Process (AOP) technology.
01/02/2001	2,427,800	$36.813	1.552%	Deutsche Bank Rese	Fourth-Quarter Earnings Preview and Performance Review: Oilfield Service Stocks Outperform for Eighth Straight Quarter, Q4 Earnings Likely to Show Strong Growth and Upside
01/02/2001	2,427,800	$36.813	1.552%	Deutsche Bank Rese	HAL Announces Acquisition of Petrobank Data Management
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Petroleum Geo-Services ASA selling Petrobank to Halliburton HOUSTON (AP) - A Halliburton Co. subsidiary has agreed to purchase Petrobank Data Management and related software for $179 million, seller Petroleum Geo-Services ASA announced Tuesday. ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Petroleum Geo-Services ASA selling Petrobank to Halliburton HOUSTON (AP) - A Halliburton Co. subsidiary has agreed to purchase Petrobank Data Management and related software for $179 million, seller Petroleum Geo-Services ASA announced Tuesday. ...

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01/02/2001	2,427,800	$36.813	1.552%	Factiva	Petroleum Geo-Services to divest Petrobank Data Management The Norwegian oilfield service company Petroleum Geo-Services ASA has signed a definitive ag reement to sell its Petrobank Data Management business and related software to Halliburton a nd Landmark Graphics in a USD179m deal. ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Halliburton unit to buy PGS Data for $179 million. DALLAS, Jan 2 (Reuters) - Landmark Graphics Corp., a unit of oilfield services company Halli burton Co. , on Tuesday said it agreed to buy PGS Data Management for $179 million in cash, broadening its technology management services. ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Halliburton Buys Petrobank HOUSTON (AP) - A Halliburton Co. subsidiary has agreed to purchase Petrobank Data Management and related software for $179 million, seller Petroleum Geo-Services ASA announced Tuesday. ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	PGS Signs Definitive Agreement with Halliburton to Sell Data Management Business HOUSTON & OSLO, Norway--(BUSINESS WIRE)--Jan. 2, 2001--Petroleum Geo-Services ASA (NYSE:PGO; (OSE:PGS) announced today that it has signed a definitive agreement with Halliburton and Lan dmark Graphics to sell its global Petrobank Data ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Halliburton In Pact To Buy PGS Data Mgmt Business DALLAS -(Dow Jones)- Halliburton Co. (HAL), through its Landmark Graphics Corp. unit, will p ay $179 million cash to acquire PGS Data Management, a unit of Petroleum Geo-Services ASA (P GO). ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Petroleum Geo Finalizes Pact To Sell Data Unit For $179M OSLO -(Dow Jones)- Petroleum Geo-Services ASA (PGO) said Tuesday it has signed a definitive agreement with Halliburton Co. (HAL) to sell its global Petrobank Data Management business a nd related software for gross proceeds of $179 million. ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	News Highlights: OPEC Cut Said To Depend On Price Jan 17 Top Of The Hour Size Of OPEC Output Cut Depends On Price Jan 17 - Source >I/OIL WebMD To Tra nsfer 50% Health Network Stake To News Corp >HLTH Extreme Networks To Buy Broadband Svcs Fir m For 2M Shrs >EXTR Saudi Wants ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	News Highlights: Walgreen 1Q Net 19c A Diluted Shr Vs 13c Top Of The Hour Walgreen 1Q Sales $5.61B Vs $4.82B;1Q Net 19c A Share Vs 13c, As Seen>WAG Be rgen Brunswig In 5-Yr, $450M Financing Pact >BBC DaimlerChrysler To Invest EUR4B By '04 In F uel Cell Tech >DCX AT&T Broadband ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	News Highlights: 2-Year Treasury Yield Below 5% Top Of The Hour 2-Year Treasury Yield Below 5%, First Time Since 5/3/1999 >G/TBE ServiceMast er Unit Buys Largest Terminix Franchise >SVM DJIA Down 26 At 10760; Nasdaq Down 49 At 2620 > N/DJIA N/NDQ ...
01/02/2001	2,427,800	$36.813	1.552%	Factiva	Halliburton and Landmark Graphics Announce Agreement to AcquirePGS Data Management Divisi DALLAS, Jan. 2 /PRNewswire/ -- Halliburton Company (NYSE: HAL) and Landmark Graphics Corpora tion, a wholly owned business unit of Halliburton, today announced a definitive agreement to

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					acquire PGS Data Management (PGSDM), a division of ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	PR Newswire Southwest Summary, Tuesday, Jan. 2, to 1:00 p.m. EST Following is a summary of press releases about Texas, Oklahoma, Louisiana and Arkansas compa nies and organizations transmitted today by PR Newswire. The full text of these releases is available at the PRN Press Room, http://www.prnmedia.com ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	Halliburton Board Approves Acquisition DALLAS, Jan. 2 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced that its board of d irectors has approved the company's acquisition of the PGS Data Management division of Petro leum Geo-Services ASA (NYSE: PGO; OSE: PGS) as announced ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	PGS sells database business to boost cashflow. Petroleum Geo-Services, the Oslo-based oil services group, said on Tuesday it had agreed to sell its information database business and related software to Halliburton of the US for $17 9m. ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	PGS sells database business to boost cashflow. Petroleum Geo-Services, the Oslo-based oilfield services group, said on Tuesday it had agree d to sell its information database business and related software for $179m to Halliburton of the US. ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	Petroleum Geo-Services ASA Signs Definitive Agreement with Halliburton to Sell Data Manag Date Announced: 20010102 Petroleum Geo-Services ASA announced that it has signed a definitiv e agreement with Halliburton and Landmark Graphics to sell its global Petrobank Data Managem ent business and related software for gross proceeds of ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	Petroleum Geo-Services ASA Signs Definitive Agreement with Halliburton to Sell Data Manag Date Announced: 20010102 Petroleum Geo-Services ASA announced that it has signed a definitiv e agreement with Halliburton Company and Landmark Graphics to sell its global Petrobank Data Management business and related software for gross ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	The reign of George (W) II • Role of the Regents: George I and Queen Mother Rar, who liked to pretend they were not run ning things, chose a trio of Regents: The Duke of Halliburton was first minister; Cardinal R umsfeld was secretary for war, and Colin of Arabia was ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	PGS Signs Definitive Agreement with Halliburton to Sell Data -Management Business. Houston, Texas; Oslo, Norway; January 2, 2001: Petroleum Geo-Services ASA (NYSE: PGO; OSE: P GS) announced today that it has signed a definitive agreement with Halliburton and Landmark Graphics to sell its global Petrobank Data Management ...
01/02/2001	2,427,800	836.813	1.552%	Factiva	PGS Signs Definitive Agreement with Halliburton to Sell Data -Management Business. Houston, Texas; Oslo, Norway; January 2, 2001: Petroleum Geo-Services ASA (NYSE: PGO; OSE: P GS) announced today that it has signed a definitive agreement with Halliburton and Landmark Graphics to sell its global Petrobank Data Management ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/03/2001	2,427,800	936.813	1.3521	PR News	Halliburton and Landmark Graphics Announce Agreement to Acquire PGS Data Management Division
01/02/2001	2,427,800	836.813	1.5529	PR News	Halliburton Board Approves Acquisition
01/03/2001	2,989,200	936.313	(1.3588)	A.G. Edwards & Son	Halliburton Company - ACQUISITION OF DATA MANAGEMENT OPERATION IS POSITIVE
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	US $179M SEISMIC MARKET SHAKE-UP Petroleum Geo-Services has agreed to sell its Petrobank electronic data storage and distribu tion system to Halliburton and Landmark Graphics for US $179m. ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	EGYPTIAN DEEPWATER PIPELAY CONQUEST The battle to lay pipeline installation work on BG's prestigious US $630m Scarab/Saffron pro ject in Egyptian deepwater Mediterranean acreage, has moved up a gear, following reports tha t two heavyweight contractors are slogging it out to win ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	COMPANY NEWS: HALLIBURTON BUYS ONLINE UNIT OF NORWEGIAN OIL COMPANY Halliburton Co agrees to acquire Petrobank, online information unit of Petroleum Geo-Service s, Halliburton competitor based in Oslo, for $179 million
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	Landmark Graphics to Acquire PGS Unit. Landmark Graphics, a wholly owned unit of Halliburton, signed a definitive agreement Tuesday to buy PGS Data Management for $179 million, broadening its technology-management services. ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	COMPANIES & FINANCE INTERNATIONAL - PGS to sell data unit for $179m. Petroleum Geo-Services, the Oslo-based oilfield services group, is selling its information d atabase business and related software for $179m to Halliburton of the US. ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	Business Brief -- Halliburton Co.: Subsidiary to Acquire Unit Of Petroleum Geo-Services Halliburton Co. said its Landmark Graphics Corp. subsidiary agreed to acquire the data-manag ement division of Petroleum Geo-Services ASA, a Houston oil-services company, for $179 milli on. The Dallas oil-services company said Landmark, a ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	Halliburton Subsidiary to Buy Data Management Arm of NorwegianOil Firm Petroleum Geo-Services plans to sell its Petrobank Data Management business to Landmark Grap hics Corp. for $179 million in cash, continuing its plan to shed nonessential assets to rais e cash and lower its debt, the company said Tuesday. ...
01/03/2001	2,989,200	936.313	(1.3588)	Factiva	Texas Oil Company Plans to Buy Data Storage Company Halliburton Co. said Tuesday it is paying $179 million to buy PGS Data Management for Hallib urton's Landmark Graphics Corp. unit. The purchase will enable Halliburton to offer Internet retrieval of vast amounts of exploration and production ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/03/2001	2,989,200	$36.313	(1.358%)	Factiva	HALLIBURTON TO PAY $179 MILLION FOR PETROLEUM GEO-SERVICES UNIT. (Dow Jones Newswires) Halliburton Co., looking to give its customers more access to exploration and production information, will buy Petroleum Geo-Services ASA's data-management business for $179 million in cash. ...
01/03/2001	2,989,200	$36.313	(1.358%)	Factiva	HALLIBURTON TO PAY $179-MIL FOR DATA MANAGEMENT UNIT US oilfield services giant Halliburton said Jan 2 its Landmark Graphics unit plans to acquire PGS Data Management (PGSDM), a subsidiary of Norway's Petroleum Geo-Services, for $179-mil. The deal bulks up Landmark's computer-aided ...
01/03/2001	2,989,200	$36.313	(1.358%)	Factiva	HALLIBURTON BUYS ONLINE UNIT OF NORWEGIAN OIL COMPANY The Halliburton Company, the oil field services company headed by Dick Cheney before he became the Republican nominee for vice president, has agreed to acquire Petrobank, an online information unit of Petroleum Geo-Services, a Halliburton ...
01/03/2001	2,989,200	$36.313	(1.358%)	Factiva	Pact reached on data unit's acquisition / Petroleum Geo-Services plans sale to Landmark G Petroleum Geo-Services plans to sell its Petrobank Data Management business to Landmark Graphics Corp. for $179 million in cash, continuing its plan to shed nonessential assets to raise cash and lower its debt, the company said Tuesday.
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	OIL DEAL. A subsidiary of oil giant Halliburton had agreed to buy Petrobank Data Management and related software for about US$179 million (NZ$407 million), the parent company, Petroleum Geo-Services, said yesterday.
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	Turkey shortlists 6 firms for Caspian oil pipeline. ANKARA, Jan 4 (Reuters) - Turkey said on Thursday it had shortlisted six companies for a tender to carry out detailed engineering work for the Turkish section of the 1,730 km (1,075 mile) pipeline that will pump Caspian oil to world markets ...
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	Micro Mining Technologies Ltd - Micro Mining finalizes Halliburton agreement Mr. Michael Diebel reports Halliburton Energy Services, Inc. and Micro Mining Technologies have finalized an exclusive multiyear international licensing agreement for MMI's Advanced Oxidation Process (AOP) technology. The technology will be ...
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	BAKU-TBILISI-CEYHAN PIPELINE - SIX COMPANIES TO BID FOR PROJECT'S DETAILED... ANKARA, Jan 4 (A.A) - Six companies will bid for the Baku-Tbilisi-Ceyhan Crude Oil Pipeline Project's "Detailed Engineering" services in the Turkish territories. ...
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	Empire District loses 22.7% on news of merger termination VANCOUVER, BRITISH COLUMBIA -- EquityAlert.com, Inc. (www.EquityAlert.com), one of the largest re-distributors of public company and mutual fund news alerts, today forwarded free real time news alerts on a wide range of NYSE stocks. ...
01/04/2001	4,554,200	$36.188	(0.344%)	Factiva	PGS sells Petrobank to US firm for $179m. NORWEGIAN oilfield contracting group Petroleum Geo-Services is selling its Petrobank data management business to US giant Halliburton for $179 million in a bid to slash debt and stream

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					line its business. ...
01/04/2001	4,554,200	$36.188	(0.3446)	Factiva	Halliburton Company and Micro Mining Technologies Announce Licensing Agreement for Enviro CDNX: MMZ DALLAS, Texas and CALGARY, Alberta, Jan. 4 /PRNewswire/ - Halliburton Energy Servi ces, Inc. and Micro Mining Technologies Int'l Inc. (MMI) have finalized an exclusive multi-y ear international licensing agreement for MMI's Advanced ...
01/04/2001	4,554,200	$36.188	(0.3446)	Factiva	Last Chance to Register for Strategic Research Institute's 2ndAnnual Oil & Gas West Afric NEW YORK, Jan. 4 /PRNewswire/ -- Time is running out to register for Strategic Research Inst itute's 2nd annual Oil & Gas Offshore West Africa - Business Strategies Available to Maximiz e your Profits in this Region, to be held in Houston ...
01/04/2001	4,554,200	$36.188	(0.3446)	Factiva	Halliburton Company and Micro Mining Technologies Announce Licensing Agreement for Enviro CDNX: MMZ DALLAS, Texas and CALGARY, Alberta, Jan. 4 /CNW/ - Halliburton Energy Services, In c. and Micro Mining Technologies Int'l Inc. (MMI) have finalized an exclusive multi-year int ernational licensing agreement for MMI's Advanced ...
01/04/2001	4,554,200	$36.188	(0.3446)	Factiva	Turkey Invites Cos for Baku-Ceyhan Oil Pipe Engineering ISTANBUL -(Dow Jones)- Turkish state pipeline company Botas Thursday said it invited six int ernational companies to bid in the tender to conduct detailed engineering studies in the Tur kish section of the Baku-Tbilisi-Ceyhan oil pipeline ...
01/04/2001	4,554,200	$36.188	(0.3446)	PR News	Halliburton Company and Micro Mining Technologies Announce Licensing Agreement for Environme ntally Sound Advanced Oxidation Process Technology
01/05/2001	2,984,800	$36.063	(0.3458)	Factiva	Firm raises $30,000 for 24 charities. Firm raises $30,000 for 24 charities AN ABERDEEN company has raised about $30,000 for charit y over the past year. The Halliburton group of companies has split the money among 24 charit ies. The two most recent beneficiaries are the Offshore ...
01/05/2001	2,984,800	$36.063	(0.3458)	Factiva	Company's major effort for charity. Company's major effort for charity AN ABERDEEN company has raised around $30,000 for charity over the past year. The Halliburton group has split the money between 24 charities, the two most recent beneficiaries being Offshore Women's Link ...
01/05/2001	2,984,800	$36.063	(0.3458)	Factiva	Turkey Names 6 Finalists. Turkey said Thursday that six companies have made the short list for a tender to carry out d etailed engineering work for the Turkish section of a 1,075-mile pipeline that will transpor t Caspian oil to world markets. ...
01/05/2001	2,984,800	$36.063	(0.3458)	Factiva	Fels snares FPSO contract. FELS Setal, a Brazilian joint venture between Singapore yard Keppel Fels and Pem Setal, has signed a letter of intent with Kellogg Brown & Root for the conversion of a supertanker into a floating production, storage and offloading vessel. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/05/2001	2,984,800	$36.063	(0.3459)	Factiva	Halliburton streamlines its act. Oilfield service giant Halliburton is splitting its energy services and engineering and construction businesses into two seperate units to improve profitability. ...
01/05/2001	2,984,800	$36.063	(0.3459)	Factiva	PGS profits from sales. Petroleum Geo-Services' 2000 accounts were boosted by $329 million following the sale of Petrobank Data Management and PGS's shares in US minnow Spinnaker Exploration, writes Ole M. Aanestad. ...
01/05/2001	2,984,800	$36.063	(0.3459)	Factiva	SIX COMPANIES COMPETE IN TENDER FOR ENGINEERING WORK ON TURKISHSEGMENT OF MAIN EXPORT PIP "Six companies are competing in the tender for the implementation of precise engineering on the Turkish segment of the Baku-Ceyhan Main Export Pipeline (MEP)," Gokhan Yardim, Head of the Botas State Pipeline Company (Turkey), stated. ...
01/08/2001	3,122,000	$36.563	1.3868	Factiva	HALLIBURTON BUYS DATA MANAGEMENT UNIT FROM PETROLEUM GEO-SERVICES Halliburton Co. (NYSE: HAL) and its Landmark Graphics Corp. business unit agreed to acquire PGS Data Management Co. from Petroleum Geo-Services ASA (NYSE: PGO) last week for $178 million in cash. The acquisition will add PGS Data Management ...
01/08/2001	3,122,000	$36.563	1.3868	Factiva	US firms Poised For Bush To Opec Door To Iran. With George W. Bush bound for the US White House, it may not be too long before the numerous US oil companies waiting to invest in Iran get the green light they have been craving. And plenty of riches are still up for grabs, as the deal ...
01/08/2001	3,122,000	$36.563	1.3868	Factiva	BRAZILIAN FLOATER SAILS INTO KEPPEL'S ARMS Keppel FELS, the SE Asian marine fabrication group, has signed a letter of intent with Halliburton Productos for the US $70m marine conversion of a tanker, Stena Concordia, into a Floating Production, Storage and Offloading facility (FPSO ...
01/09/2001	3,805,700	$38.063	4.1038		
01/10/2001	4,506,100	$39.213	3.2848	Factiva	SIX COMPANIES ARE INVITED TO TAKE PART IN BTC DETAIL ENGINEERING. BAKU, 10 JANUARY, AZER-PRESS. Botas of Turkey invited six companies to take part in the tender for the detailed engineering of the Baku-Tbilisi-Ceyhan route: Kvaerner, Halliburton, Penspen (UK), Gulf Interstate, Universal Ensco (USA) and ...
01/11/2001	3,902,100	$40.125	2.0674		
01/12/2001	2,773,700	$40.063	(0.1556)	Factiva	Mega-drydock arrives to Rio today. Rio de Janeiro, 01/12/01 - The giant floating dry-dock Stena Concord, capable of lifting 260,000 tonnes deadweight, which will be converted into another oil exploration and storage platform for Petrobras, arrives in Rio de Janeiro today ...
01/12/2001	2,773,700	$40.063	(0.1556)	Factiva	Reliance set for tie-up deal with Halliburton. INDIA'S emerging upstream player Reliance Industries is believed to have decided to tie up with US energy services giant Halliburton for exploratory operations in the country's newly a

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					warded 12 oil and gas blocks, writes Narendra Taneja ...
01/12/2001	2,773,700	940.063	(0.156%)	Factiva	Unocal in new find at Repek - Reliance set for tie-up deal withHalliburton. US INDEPENDENT Unocal has made a new hydrocarbon discovery in its deep-water Repek productio n sharing contract offshore East Kalimantan, Indonesia, writes Amanda Batteraby. ...
01/12/2001	2,773,700	940.063	(0.156%)	Factiva	The Art - Why the numbers don't add up. Are we over-fond of quantifying everything we experience? David Boyle thinks we are - and, a s he tells Rachel Halliburton, such a reliance on bare ...
01/15/2001	.	.		Factiva	SOON-TO-BE "SECOND LADY" LYNNE CHENEY STAYS ON READER'S DIGESTASSN. BOARD Her November 10 re-election to the RDA (RDA) board of directors seat held since 1993 has non e of the "dimples chads," hand recounts, or Supreme Court decisions that accompanied her fa mily's "other" campaign, but it is precedent- setting ...
01/15/2001	.	.		Factiva	WILL OIL AND GOVERNMENT MIX? Ever since George W. Bush became heir apparent, we non-Texans have been anticipating a prett y heavy dose of oil and Texas (''The stewards of a Bush economy?'' Government, Dec. 18). Fir st there was Dick Cheney (Halliburton) and then, when ...
01/15/2001	.	.		Factiva	Inventing the future//A look at some of the U.S. Patents issuedto inventors and companies Halliburton Energy Services Inc.6,138,761 Apparatus and methods for completing a wellbore: T ommie Austin Freeman, Thomas P. Wilson, Huntsman Petrochemical Corp
01/16/2001	2,879,900	849.563	1.249%	Factiva	PLAN TO RAISE KURSK SUBMARINE ENDORSED IN BRUSSELS - RUSSIAN COMPANY. ST.PETERSBURG, Jan 16 (Interfax Northwest) - A plan to raise the Russian nuclear submarine K ursk has been endorsed in Brussels. The maritime equipment design company Rubin told Interfa x on Tuesday that the blueprint had been approved over ...
01/17/2001	3,282,000	838.000	(3.853%)	Factiva	JADC HIRES SEISMIC INTERPRETATION EQUIPMENT FROM LANDMARK. BAKU, 17 JANUARY, AZER-PRESS. JADC will hire interpretation equipment from the British-US co mpany Landmark, the sub-division of Halliburton, to process the seismic data obtained during the geophysical exploration in the shallow-water region ...
01/18/2001	3,409,900	837.563	(3.686%)		
01/19/2001	3,266,100	837.129	(1.165%)	Factiva	Service Firms Post Big Fourth-Quarter Profits. Oil field services and drilling companies reported sharply higher earnings for the fourth qu arter of 2000, and offered an optimistic outlook for 2001 based on expectations for substant ially higher upstream spending. ...
01/20/2001	.	.		Factiva	Pair sign. Pair sign AUV deal HALLIBURTON Subsea and Southampton University have signed an agreement gi ving Halliburton exclusive use, in the oil and gas and subsea-cable markets, of the technolo

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					gy and know-how associated with the Autosub development ...
01/20/2001	.	.	.	Factiva	CHENEY MUST CONFRONT BURMA'S INHUMANE POLICIES Summary: As Halliburton chief, he led a company that did business in the repressive Asian na tion Dick Cheney, the new vice president and former defense secretary, will be one of the ke y foreign policy advisers to George W. Bush, who assumes ...
01/22/2001	1,794,700	$37.313	0.5059%	Factiva	CAREFUL CHOOSING : California's utility crisis creates buying opportunity for investors As energy prices soar and California utility companies struggle to stay solvent, large inves tors have been finding opportunities amid the chaos. ...
01/22/2001	1,794,700	$37.313	0.5059%	Factiva	SIX COMPANIES ARE INVITED TO TAKE PART IN BTC DETAIL ENGINEERING Botas of Turkey invited six companies to take part in the tender for the detailed engineerin g of the Baku-Tbilisi-Ceyhan route: Kvaerner, Halliburton, Penspen (UK), Gulf Interstate, Un iversal Ensco (USA) and ILF (Germany). ...
01/22/2001	1,794,700	$37.313	0.5059%	Factiva	HEAVYWEIGHTS CLOSE IN FOR IRISH PROJECT ABB and FMC Kongsberg are understood to be the remaining players in the battle to win subsea hardware work on Enterprise Oil's US $650m Corrib project in the Irish Atlantic Margin. ...
01/22/2001	1,794,700	$37.313	0.5059%	Factiva	Halliburton 2000 Fourth Quarter Teleconference DALLAS, Jan. 22 /PRNewswire/ -- Halliburton Company (NYSE: HAL) plans to release its 2000 fo urth quarter financial results Tuesday afternoon, January 30, 2001, at 3:00 PM Dallas time (Central Standard Time). ...
01/22/2001	1,794,700	$37.313	0.5059%	PR News	Halliburton 2000 Fourth Quarter Teleconference
01/23/2001	2,457,500	$38.625	3.5188%	Factiva	VMware Concludes GSX Server Beta Program With 300 Companies Participating VMware GSX Server Now Available at www.vmware.com PALO ALTO, Calif., Jan. 23 /PRNewswire/ -- VMware, Inc. today announced that it has concluded its GSX Server beta program with more th an 300 companies worldwide participating. Adopters ...
01/23/2001	2,457,500	$38.625	3.5188%	PR News	VMware Concludes GSX Server Beta Program With 300 Companies Participating
01/24/2001	3,319,600	$39.813	3.0744%	Factiva	TENDERS FOR TYRA TIE-IN Maersk has invited contractors to bid for equipment, pipelines and installation work for its Tyra South East development on the Danish shelf. ...
01/24/2001	3,319,600	$39.813	3.0744%	Factiva	Private reserves part of 300 mln stg UK army deal. LONDON, Jan 24 (Reuters) - Britain's Defence Ministry said on Wednesday it would award a 300 million pound ($440 million) contract for heavy equipment transporters which will include t raining civilians to drive and maintain vehicles in ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/24/2001	3,319,600	839.813	3.0748	Factiva	UPDATE 2-EADS launches group bid for big UK air tanker deal. FRANKFURT, Jan 24 (Reuters) - European aerospace group EADS on Wednesday launched a joint bi d with four other companies to win a 9 billion pound ($13.16 billion) order for new mid-air refuelling tankers for Britain's Royal Air Force. ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	Oshkosh Truck Tank Transporters Selected by United Kingdom Ministry of Defense for Major OSHKOSH, Wis.--(BUSINESS WIRE)--Jan. 24, 2001--(NASDAQ: OTRKB) announced today that its Heav y Equipment Transporter (HET) system will be used by the United Kingdom Ministry of Defense (MoD). The MoD has selected FASTTRAX, a consortium led ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	Heavy Equipment Transporter improves operational capability forthe Army The Ministry of Defence is to award a GBP300m contract to Fasttrax, a consortium led by Hall iburton Brown & Root, for 92 Heavy Equipment Transporter units to replace the ageing Scammel l Commander fleet and update frontline support. In a ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	Kvaerner aiming to keep core businesses together. Kjell Almskog, the chief executive of the Anglo-Norwegian engineering and construction group Kvaerner, is convinced of the industrial logic of keeping the group's two core business are as - Oil & Gas and Engineering & Construction - together ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	EADS Sets Up JV To Bid For GBP9 Bln UK Defense Contract PARIS -(Dow Jones)- The European Aeronautic Defence & Space Co. NV (N.EAD) said Wednesday th at it has formed a joint venture called Air Tanker with four French, U.S. and U.K. companies to bid for a GBP9 billion defense contract in the U.K. ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	Oshkosh Truck Corporation Selected by United Kingdom Ministry of Defense for Contract Date Announced: 20010124 Oshkosh Truck Corporation announced that its Heavy Equipment Transp orter (HET) system will be used by the U.K. Ministry of Defense (MoD). The MoD has selected FASTTRAX, a consortium led by Halliburton Brown & ...
01/24/2001	3,319,600	839.813	3.0748	Factiva	The chill of an icy con artist HARRIE The Haymarket Theatre, Basingstoke Rachel Halliburton THE stage proves an unforgiving environment for the story of Harnie, the sexless seductress who stole her way into film his tory after Hitchcock used his lens to enhance her ...
01/25/2001	3,301,000	841.625	4.5534	Factiva	Oshkosh Truck Selected for British Army Contract Oshkosh Truck (OTRKB) has been selected as part of the Fasttrax consortium with the Brown & Root subsidiary of Halliburton to provide its M1070 Heavy Equipment Transporter System (HETS) for use by the British army. Britain's Ministry of ...
01/25/2001	3,301,000	841.625	4.5534	Factiva	EADS group bids for UK air tanker deal. FRANKFURT (Reuters) - European aerospace group EADS yesterday launched a joint bid with four other companies to win a 9 billion pound ($13.16 billion) order for new mid-air refuelling tankers for Britain's Royal Air Force. The joint venture ...
01/25/2001	3,301,000	841.625	4.5534	Factiva	BOTAS TO ANNOUNCE A TENDER FOR DETAILS MEP ENGINEERING BEFORE THE END OF JANUARY. ANKARA, 25 JANUARY, AIBA-PRESS. Turkey's state-run pipeline company BOTAS plans to begin recei pt of bids for tender for details engineering of MEP (its Turkish segment) before the end of

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					January. ...
01/25/2001	3,331,000	$41.625	4.553%	Factiva	EADS Group and Rolls-Royce join forces for $3bn bid. European aerospace group EADS yesterday launched a joint bid with four other firms including Rolls-Royce to win the £9 billion contract to build a new generation of mid-air refuelling tankers for the RAF. ...
01/26/2001	2,812,900	$40.750	(2.102%)	Factiva	U.S.-Led Team Wins $420 Million U.K. Truck Deal By Tim Ripley LONDON--A consortium led by Halliburton's (HAL) Brown & Root on Wednesday won a $420 million contract from the U.K. Ministry of Defence to supply and operate 92 tank tran sporters, against a strong field of British and European ...
01/26/2001	2,812,900	$40.750	(2.102%)	Factiva	Bush keeps the oilmen gurgling. ANYONE wondering how the oil and gas industry sees the future under new US president George W. Bush should have attended a recent meeting of analysts. Conoco chairman Archie Dunham cou ld not contain his excitement at the prospect of a ...
01/29/2001	2,462,800	$39.500	(2.086%)	Factiva	Granherne Inc. Houston, has hired Sandeep Khurana as a principal facilities engineer. Khurana, who holds an MS in civil engineering from Rice University, has over 11 years of diversified experience i n engineering design, ...
01/29/2001	1,462,800	$39.500	(2.086%)	Factiva	Indus. Consumer Grps Diverge On Cheney Energy Task Force WASHINGTON -(Dow Jones)- Industry and consumer groups had widely differing responses Monday to President George W. Bush's choice of Vice President Dick Cheney as head of a federal task force to address U.S. energy problems. ...
01/30/2001	1,931,900	$40.260	0.902%	CIBC World Markets	HAL: 4Q00 Positive EPS Surprise; International Spending Up
01/30/2001	1,931,900	$40.260	0.902%	Factiva	TABLE-Halliburton Co.'s Q4 results. DALLAS, Jan. 30 (Reuters) - First Call/Thomson Financial EPS estimate was $0.26 HALLIBURTON COMPANY Consolidated Statements of Income (Unaudited) Fourth Quarter Ended Twelve Months End ed December ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	Halliburton op. earnings beat expectations. HOUSTON, Jan 30 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, sa id on Tuesday fourth-quarter operating earnings rose 62 percent as increased profits from oi lfield services offset lower profits from engineering ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	UPDATE 1-Halliburton Q4 earnings beat consensus. HOUSTON, Jan 30 (Reuters) - Halliburton Co., the world's No. 1 oil field services company, said on Tuesday fourth-quarter operating earnings rose 62 percent as increased profits from oil field services offset lower profits from engineering ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	Landmark Graphics Releases GeoGraphix DISCOVERY 2000.3; An Integrated PC-Based Geological DALLAS, Texas--(BUSINESS WIRE)--Jan. 30, 2001--Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE:HAL), today announced the release of GeoGraphix

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					DISCOVERY(TM) 2000.3, an integrated PC-based geological ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	Halliburton Co. 4Q Net 28c/Share Before Chgs (Corrected 08:29 PM) 04:14 PM Halliburton Co. (HAL) earned 28 cents a share in the fourth quarter, excluding charges of 27 cents a share related to its engineering and construction business. ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	News Highlights: Applied Materials Sees 1Q Below Targets Top Of The Hour Applied Materials Sees 1Q Results Below Targets; Cites Slower PC Sales >AMAT Amazon.com 4Q Losses Before Items 23c/Shr; To Cut About 1,500 Jobs >AMZN Adobe Sys Sees Slowdown In Some Markets In 1Q >ADBE ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	News Highlights: Applied Materials Sees 1Q Below Targets Top Of The Hour Applied Materials Sees 1Q Results Below Targets; Cites Slower PC Sales >AMAT Amazon.com 4Q Losses Before Items 23c/Shr; To Cut About 1,500 Jobs >AMZN Adobe Sys Sees Slowdown In Some Markets In 1Q >ADBE ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	Halliburton Releases Fourth Quarter Results. Energy Services Group Income More Than Doubl DALLAS, Jan. 30 /PRNewswire/ -- Halliburton Company (NYSE: HAL) reported today that 2000 fourth quarter net income was $123 million ($0.28 per diluted share) before charges related to its engineering and construction businesses of $118 ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	Landmark Graphics Releases GeoGraphix DISCOVERY 2000.3, An Integrated PC-Based Geological DALLAS, Texas--(U.S. Newswire)--Jan. 30, 2001--Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE:HAL), today announced the release of GeoGraphix DISCOVERY(TM) 2000.3, an integrated PC-based geological ...
01/30/2001	1,931,900	$40.260	0.902%	Factiva	UPDATE 2-Halliburton Q4 earnings beat consensus. HOUSTON, Jan 30 (Reuters) - Halliburton Co. , the world's No. 1 oil field services company, said on Tuesday fourth-quarter operating earnings rose 62 percent as an improved performance from its core energy services business was offset by a ...
01/30/2001	1,931,900	$40.260	0.902%	PR News	Halliburton Releases Fourth Quarter Results, Energy Services Group Income More Than Doubles Over Prior Year
01/31/2001	2,635,600	$41.190	2.310%	A.G. Edwards & Son	Halliburton Company - 4Q2000 EPS Ahead of Expectations - Increasing 2001-2 Estimates to Reflect Strong North American Drilling Market
01/31/2001	2,635,600	$41.190	2.310%	A.G. Edwards & Son	Halliburton Company - Dresser Equipment Group Sale Announced for $1.55 Billion - Impact Should be Very Positive

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/31/2001	2,635,600	$41.190	2.310%	ABN AMRO Global Re	Halliburton Company: HAL: Maintaining Our 2001 EPS Estimate of $1.15
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton to sell Dresser Equipment DALLAS (AP) - Oilfield-services giant Halliburton Co. said Wednesday it has agreed to sell i ts Dresser Equipment Group subsidiary for $1.1 billion to two investment firms and some Dres ser officials. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton to sell Dresser Equipment DALLAS (AP) - Oilfield-services giant Halliburton Co. said Wednesday it has agreed to sell i ts Dresser Equipment Group subsidiary for $1.1 billion to a group that includes two investme nt firms and some Dresser officials. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Disintegrated Oil. 2000 Share Price Performance For ENI, Mobil, and Lasmo It must be pretty galling. You spend a couple of years consolidating like crazy, then people start saying you've got it all wrong. Yet that's the message being bandied around by the ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	UPDATE 1-Halliburton sells Dresser unit in $1.55 bln deal. HOUSTON, Jan 31 (Reuters) - Halliburton Co., the world's biggest oilfield services company, said on Wednesday it had agreed to sell its Dresser Equipment Group unit to two private inve stment firms and Dresser Equipment managers in a deal ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Private equity firms to buy Halliburton's Dresser unit. NEW YORK, Jan 31 (Reuters) - First Reserve Corp. and Odyssey Investment Partners on Wednesda y said they agreed to acquire a unit of oil and energy service giant Halliburton Co. in a tr ansaction valued at $1.55 billion. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton To Sell Dresser Unit DALLAS (AP) - Oilfield-services giant Halliburton Co. said Wednesday it has agreed to sell i ts Dresser Equipment Group subsidiary for $1.1 billion to a group that includes two investme nt firms and some Dresser officials. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	SHAREHOLDERS APPROVE SAMOTLOR REJUVENATION PLANS. MOSCOW, Jan 31 (Interfax) - Shareholders of Samotlorneftegaz (SNG), a Tyumen Oil Company (TN K) subsidiary, at an extraordinary meeting in Nizhnevartovsk approved a $672-million rejuven ation package for the Samotlor oil and gas condensate ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Revenue Rises for Big Oil-Drilling Firms But Contract, ProjectWoes Hurt Profit Increased demand for oil and natural gas pumped up fourth-quarter revenue for big oil-drilli ng companies, but their earnings were hurt by contract, equipment and project woes ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Big Charges Leave Energy Services Firm Halliburton with $5 Million Profit Halliburton Co. reported Tuesday that it squeezed out a $5 million profit in the fourth quar ter after taking $118 million in after-tax charges in its engineering and construction busin esses. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
01/31/2001	2,635,600	$41.190	2.310%	Factiva	First Reserve, Odyssey Invest To Buy Halliburton Unit NEW YORK -(Dow Jones)- First Reserve Corp. and Odyssey Investment Partners signed a definiti ve agreement to acquire Halliburton Co.'s (HAL) Dresser Equipment Group unit, in a transacti on valued at about $1.55 billion. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	News Highlights:US GDP Rose At 1.4% In 4Q; Survey 1.9% Top Of The Hour US GDP Rose At 1.4% Rate In 4th Qtr; Survey 1.9% >N/EMI Coca-Cola Co. 4Q Op Net 38c/Share, In Line With Views >KD Spartan Stores Targets Year Net $1.25-$1.30 A Share >S PTN Lockerbie Court Sentences ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	News Highlights: New York Times 4Q Oper Net 68c/Share Top Of The Hour New York Times 4Q Oper Net 68c/Diluted Share; First Call 66c >NYT AOL Time W arner CFO: 2001 Guidance Remains The Same >AOL Sonoco 4Q Oper Net 47c A Diluted Shr Vs 50c > SON Digital Island 4Q Losses $1 ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	News Highlights:US Chicago Purch Mgmt Adj Jan Index 40.2 Top Of The Hour US Chicago Purch Mgmt Adj Jan Index 40.2 Vs Dec 44.7 >N/EMI US Dec New Home Sales +13.4% To 975,000; Est. 880,000 >N/EMI GlaxoSmithKline Gains Final Approval From US FT C >GSK Emerson CEO:Backs Full ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton's Profit On Dresser Sale Tops Street's Views NEW YORK -(Dow Jones)- Halliburton Co. (HAL) agreed to sell its Dresser Equipment Group unit to buyout firms First Reserve Corp. and Odyssey Investment Partners for $1.55 billion, exce eding analysts' expectations. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	WSJ.COM WRAP: Halliburton To Sell Dresser Unit For $1.1B A WSJ.COM News Roundup DALLAS -(Dow Jones)- Halliburton Co. (HAL), the largest U.S. oil-serv ices concern, agreed to sell its Dresser Equipment Group unit to two investment firms for ab out $1.1 billion cash, plus the assumption of debt. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	News Highlights:US GDP Rose At 1.4% In 4Q; Survey 1.9% Top Of The Hour US GDP Rose At 1.4% Rate In 4th Qtr; Survey 1.9% >N/EMI Coca-Cola Co. 4Q Op Net 38c/Share, In Line With Views >KD Spartan Stores Targets Year Net $1.25-$1.30 A Share >S PTN Lockerbie Court Sentences ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	News Highlights: New York Times 4Q Oper Net 68c/Share Top Of The Hour New York Times 4Q Oper Net 68c/Diluted Share; First Call 66c >NYT AOL Time W arner CFO: 2001 Guidance Remains The Same >AOL Sonoco 4Q Oper Net 47c A Diluted Shr Vs 50c > SON Digital Island 4Q Losses $1 ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	First Reserve Corporation and Odyssey Investment Partners to Acquire Dresser Equipment Gr NEW YORK and HOUSTON, Jan. 31 /PRNewswire/ -- First Reserve Corporation and Odyssey Investme nt Partners announced today that they have signed a definitive agreement that provides for t he acquisition of Halliburton Company's (NYSE: HAL ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton Announces Agreement to Sell Dresser Equipment Group DALLAS, Jan. 31 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that it has executed a definitive agreement to sell the company's Dresser Equipment Group (DEG) to an in

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					vestor group consisting of First Reserve Corporation ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton to sell Dresser Equipment for $1.5bn. Halliburton, the world's largest services and products provider to the petroleum and energy industry, has sold a unit to private equity firms First Reserve Corporation and Odyssey Investment Partners in a $1.55bn deal. ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton Company Announces Agreement to Sell Dresser Equipment Group Date Announced: 20010131 Halliburton Company announced that it has executed a definitive agreement to sell the company's Dresser Equipment Group (DEG) to an investor group consisting of First Reserve Corporation, Odyssey Investment ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	Halliburton Company's Landmark Graphics Releases GeoGraphix DISCOVERY 2000.3 Date Announced: 20010130 Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced the release of GeoGraphix DISCOVERY 2000.3, an integrated PC-based geological and geophysical interpretation solution ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	IN OTHER BUSINESS NEWS Halliburton Co., the world's largest oilfield-services company, agreed to sell its Dresser Equipment Group unit to buyout firms First Reserve Corp. and Odyssey Investment Partners for $1.55 billion. Dresser makes meters, engines and ...
01/31/2001	2,635,600	$41.190	2.310%	Factiva	BDS clinches dealer agreement with US-based Halliburton. PERTH, Feb 1, AAP - BDS Corporation Ltd has sealed a dealer agreement for the distribution of its fluid hammer with American company, Halliburton Energy Services Inc, a business unit of New York-listed Halliburton Company Inc. ...
01/31/2001	2,635,600	$41.190	2.310%	Jefferies & Compan	Oil Service Group - Halliburton Company (1/31/01)
01/31/2001	2,635,600	$41.190	2.310%	PR News	First Reserve Corporation and Odyssey Investment Partners to Acquire Dresser Equipment Group From Halliburton in $1.55 Billion Management Buyout
01/31/2001	2,635,600	$41.190	2.310%	PR News	Halliburton Announces Agreement to Sell Dresser Equipment Group
01/31/2001	2,635,600	$41.190	2.310%	RBC Capital Market	HAL:H-;HALLIBURTON REPORTS EARNINGS EXCEEDING EXPECTATIONS
01/31/2001	2,635,600	$41.190	2.310%	RBC Capital Market	HAL:H-;HALLIBURTON ANNOUNCES AGREEMENT TO SELL DRESSER EQUIPMENT GROUP
01/31/2001	2,635,600	$41.190	2.310%	SunTrust Robinson	HAL - Dec. Q EPS of $0.28 vs. $0.17, Two Cents Above Estimate
01/31/2001	2,635,600	$41.190	2.310%	SunTrust Robinson	HAL - Selling Equipment Group for $1.55 Billion

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/01/2001	1,834,400	$40.200	(2.403%)	Capital One Southc	HAL: DECREASING 2001 ESTIMATES
02/01/2001	1,834,400	$40.200	(2.403%)	Deutsche Bank Rese	Q4 Results Exceed Expectations. Maintaining Ests. on Improved Oilfield, but Uncertain E&C O utlook. Reiterate Strong Buy
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	AUSTRALIA'S SDS CORP SIGNS DEAL WITH US CO HALLIBURTON. PERTH, Feb 1, Asia Pulse - SDS Corporation Ltd (ASX:SDS) has sealed a dealer agreement for t he distribution of its fluid hammer with American company, Halliburton Energy Services Inc, a business unit of New York-listed Halliburton Company ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	RUSSIA - Russia agrees to the Thielf raising sunken submarine. The Russian government has approved a plan to lift the sunken Kursk submarine. An internatio nal consortium made up of Smit Tak, Halliburton and Heerema Marine Contractors will work alo ngside Russian companies to lift the vessel from the bed ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	HALLIBURTON TO SELL DRESSER EQUIPMENT UNIT Halliburton to sell 95
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton Energy Services, Inc. and Micro Mining TechnologiesInt'l Inc. (Brief Article) Halliburton Energy Services, Inc. and Micro Mining Technologies Int'l Inc. finalized an exci usive multi-year international licensing agreement for MMI's Advanced Oxidation Process (AOP) technology.
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	CORRECTION. The cover inset photo on the December issue of Offshore, showing rig-up of the Reservoir Mon itor Tool Elite, was provided by Halliburton.
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Engineering on Baku-Ceyhan oil pipe line to start this year. (Brief Article) Detailed engineering work on the $2.4 to $2.7-billion, 1,075-mi Baku-Ceyhan oil pipe line wi ll begin soon, according to a Reuters report. A contract for the detailed engineering was to be awarded last month, according to Gokhan Yardim, head ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton to Sell Dresser Unit for $1.55 Billion. Halliburton announced Wednesday that it has agreed to sell its Dresser Equipment Group (DEG) to an investor group made up of First Reserve Corp., Odyssey Investment Partners, and DEG m anagement in a $1.55 billion cash buyout led by DEG ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	COMPANIES & FINANCE THE AMERICAS - Halliburton sells Dresser unit NEWS DIGEST. Halliburton sells Dresser unit Halliburton, the US oil services group, is selling its Dresse r Equipment Group to an investor group and members of the unit's management, for $1.55bn in cash and assumed liabilities. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton Connected to Office in Iran --- Firm Cheney HeadedSays It Doesn't Breach U.S. Halliburton Co., the U.S. oil-services giant until recently headed by Vice President Richard Cheney, has opened an office in Tehran and operated in Iran in possible violation of U.S. s anctions. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Deals & Deal Makers: Halliburton Will Sell Dresser Equipment ToTwo Firms in a Leveraged B First Reserve Corp. and Odyssey Investment Partners agreed to buy Dresser Equipment Group fr om Halliburton Co. in a leveraged buyout valued at about $1.26 billion plus $240 million in assumed liabilities. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton to sell unit for $1.1 billion DALLAS (AP) -- Oilfield-services giant Halliburton Co. said Wednesday it has agreed to sell its Dresser Equipment Group subsidiary for $1.1 billion to a group that includes two investm ent firms and some Dresser officials. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Dallas-Based Oil-Field Services Firm to Sell Equipment Manufacturing Group Halliburton, the world's largest oil-field services company, said Wednesday it has agreed to sell its Dresser Equipment Group for $1.55 billion, completing its exit from equipment manu facturing. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Dallas-Based Oil-Field Services Company to Sell Equipment Business Halliburton Co. said Wednesday that it is selling its Dresser Equipment Group to two investm ent groups and Dresser's senior management for $1.55 billion. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Oil-Field Services Company Halliburton to Sell Waukesha, Wis., Engine Maker The parent company of Waukesha Engine agreed Wednesday to sell the engine maker and three ot her companies to two investment groups in a deal worth $1.6 billion. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton defends disappointing figures. SLUGGISH performance in the engineering and construction sectors dragged down last year's pe rformance of energy services giant Halliburton, which was headed by new US vice-president Di ck Cheney until last August. ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	HOME SALES ESSEX 24 Emmet St., $122,500, Shirley Howard, (Estate of Edith Byrne)36 Salter Place, $184,5 00, Orlando Boscana, Noemi Boscana, (Maria Esposito)10 Smith St., $126,500, Anna M. Shock, (Eduardo Lara)204 Passaic Ave #9, $159,000, Christine J ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	HOME SALES ESSEX 24 Emmet St., $122,500, Shirley Howard, (Estate of Edith Byrne)36 Salter Place, $184,5 00, Orlando Boscana, Noemi Boscana, (Maria Esposito)10 Smith St., $126,500, Anna M. Shock, (Eduardo Lara)204 Passaic Ave #9, $159,000, Christine J ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Company Profile for - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type H 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton, Affiliates Ratings Affirmed By S&P Following is a press release from Standard & Poor's: NEW YORK (Standard & Poor's CreditWire) Feb. 1, 2001--Standard and Poor's today affirmed the ratings of Halliburton Co. and its affiliates in response to Halliburton's agreement to ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Hot Stocks To Watch: AOL LOR HAL KLU AOL Time Warner Said its 1Q growth will be Wed Close $52.56 hurt by soft ad climate; On $1.7 5, 3.2% still has aggressive targets 29.9M Shares for full year, WSJ reported. (AOL) (Full s tory under AOL ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	HOT STOCKS TO WATCH -2 AOL Time Warner Said its 1Q growth will be Wed Close $52.56 hurt by soft ad climate; On $1.7 5, 3.2% still has aggressive targets 29.9M Shares for full year, WSJ reported. (AOL) (Full s tory under AOL ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton Connected to Office in Iran Halliburton Co., the U.S. oil-services giant until recently headed by Vice President Richard Cheney, has opened an office in Tehran and operated in Iran in possible violation of U.S. s anctions, Thursday's Wall Street Journal reported, ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	FIRST RESERVE-LED GROUP TO BUY DRESSER UNIT FROM HALLIBURTON FOR $1.55-BIL Big US service firm Halliburton announced Jan 31 a team of investors will pay $1.55-bil for its Dresser Equipment Group. Buyers include First Reserve Corp, Odyssey Investment Partners and members of the existing DEG management team ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	HALLIBURTON TO SELL DRESSER EQUIPMENT UNIT The oil field services company Halliburton said yesterday that it had agreed to sell its Dre sser Equipment Group subsidiary for $1.1 billion to a group that includes two investment fir ms and some Dresser officials. The buyers include the ...
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Petroleum Geo-Services ASA. (Brief Article) Petroleum Geo-Services ASA signed a definitive agreement with Halliburton and Landmark Graph ics to sell its global Petrobank Data Management business and related software for $179 mill ion.
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	BP. (British Petroleum Company PLC, West of Shetland project) (Brief Article) BP continues its West of Shetland project with Halliburton Subsea's provision of subsea tie- back construction services and inspection, repair and maintenance services plus specific pro vision of the MSV Regalia for a minimum 165 days.
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton deals away Dresser / Managers, two firms would pay$1.55 billion Halliburton, the world's largest oil-field services company, said Wednesday it has agreed to sell its Dresser Equipment Group for $1.55 billion, completing its exit from equipment manu facturing.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/01/2001	1,834,400	$40.200	(2.403%)	Factiva	Halliburton is splitting its engineering and construction business... Halliburton is splitting its engineering and construction business into two segments - energy services and engineering and construction. Halliburton Energy Services Group will include Halliburton Energy Services, Landmark Graphics, large ...
02/02/2001	2,711,600	$40.310	(0.224%)	Factiva	Giant killing on DEG deal. Halliburton set to pocket $300m A GROUP of investors led by its own management team has inked a deal to acquire Dresser Equipment Group from oilfield service giant Halliburton for $1.5 billion in cash and debt assumption. ...
02/02/2001	2,711,600	$40.110	(0.224%)	Factiva	Halliburton Co Aa3 Sr Unsec On Moody's Review-Down Following is a press release from Moody's Investors Service: New York, February 02, 2001 -- Moody's Investors Service placed under review for possible downgrade the Aa3 senior unsecured debt ratings of Halliburton Company. The review was ...
02/02/2001	2,711,600	$40.110	(0.224%)	Factiva	MOODY'S REVIEWS RATINGS OF HALLIBURTON COMPANY FOR POSSIBLE DOWNGRADE MOODY'S REVIEWS RATINGS OF HALLIBURTON COMPANY FOR POSSIBLE DOWNGRADE Approximately $2.4 Billion of Securities Affected. New York, February 02, 2001 -- Moody's Investors Service placed under review for possible downgrade the Aa3 senior ...
02/02/2001	2,711,600	$40.110	(0.224%)	Factiva	SDS seal sales agreement through Halliburton. Perth-based drill bit manufacturer SDS Corporation has secured an exciting deal with global Halliburton Energy Services company. It has concluded a dealer agreement for the distribution of the SDS Fluid Hammer, which has been extensively ...
02/03/2001	.	.	.	Factiva	The dealer deal that's worth $11m. MINING and construction services company SDS Corporation has joined forces with US industrial group Halliburton in an effort to take its oil and gas drilling technology to the world. Adelaide-based SDS has appointed Halliburton as dealer ...
02/03/2001	.	.	.	Factiva	Daily reports "US oil giant opens office in Tehran". Text of report in English by Iranian news agency IRNA Tehran, 3 February: The US oil service giant Halliburton, headed by recently-designated American Vice-President Dick Cheney, has opened a trade section in Tehran, the Persian daily ...
02/03/2001	.	.	.	Factiva	Daily reports "US oil giant opens office in Tehran". Text of report in English by Iranian news agency IRNA Tehran, 3 February: The US oil service giant Halliburton, headed by recently-designated American Vice-President Dick Cheney, has opened a trade section in Tehran, the Persian daily ...
02/04/2001	.	.	.	Factiva	US OIL SERVICES CO HALLIBURTON OPENS OFFICE IN TEHRAN - REPORT. TEHRAN, Feb 5, Asia Pulse - The US oil services giant Halliburton, headed by recently-designated American Vice-President Dick Cheney, has opened a trade section in Tehran, the Persian daily Aftab-e Yazd cited the Wall Street Journal ...
02/04/2001	.	.	.	Factiva	Gas prices mean difficult choices for poor, charities NASHVILLE, Tenn. (AP) - Soaring gas prices are forcing some Tennesseans to make difficult choices - pay the expensive heating bill or use the family budget for food and other necessiti

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					es. ...
02/04/2001	.	. .	.	Factiva	Fabulous 55 Here are the American-Statesman's top 55 Texas high school football recruits. Shows position , height, weight, high school, and college to which recruit committed or schools he's consid ering. Schools not in order of preference and subject to ...
02/05/2001	2,521,500	$41.100	2.468%	Deutsche Bank Rese	Deutsche Bank Oilfield Services - Surveying the Prospects: Oilfield Services Weekly Ruminat ions
02/05/2001	2,521,500	$41.100	2.468%	Factiva	CSFB, MSDW Fund Dresser Purchase Lead arrangers Credit Suisse First Boston and Morgan Stanley Dean Witter are arranging an $8 20 million loan to support the purchase of Dresser Equipment Group from Halliburton Co. by i nvestment firms First Reserve Corp. and Odyssey ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	Direct Personality: Outsource without breaking the bank Going outside the corporate walls for direct marketing and database services ought not to be as complicated as it is. And it shouldn't cost millions of dollars, according to Peter Bend or-Samuel, CEO of Outsourcing Center, a developer of ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	Drilling Federal Lands May Only Slow Falling Output. With growing attention to dependence on foreign oil and an increasingly obvious shortfall in domestic gas deliverability, the issue of expanding US oil and gas supplies is again on the front burner - and with it the sensitive issue of ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	Services/Suppliers. Technip Paris La Defense, has named Larry D. J. Pope as president and CEO of Technip USA, ba sed in Houston. Pope came to Technip from Brown & Root Services, a Halliburton Co., where he served as president and CEO. He replaces David Baker ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	HALLIBURTON Will SELL its DRESSER EQUIPMENT GROUP FOR $1.55 BILLION Halliburton Co. (NYSE: HAL) agreed to sell its Dresser Equipment Group (DEG) for $1.55 billi on in cash last week to an investor group consisting of First Reserve Corp., Odyssey Investm ent Partners LLC and members of DEG's management. The ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	INDUSTRY RESTRUCTURING. INDUSTRY RESTRUCTURING - US oil services giant Halliburton is selling its Dresser Equipment Group for $1.55 billion to an investor group made up offirst Reserve Corp., Odyssey Investme nt Partners, and DEG management, led by Chief Executive ...
02/05/2001	2,521,500	$41.100	2.468%	Factiva	Vande Beek to Polish Coke's Image.(Dirk Vande Beek named vp ofpublic relations-Coca Cola) ATLANTA--Dirk Vande Beek, who ran vice president Dick Cheney's campaign press office, has be en named Coca-Cola Co.'s vice president of public relations. Vande Beek, formerly director o f global public relations for the Halliburton Co ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/06/2001	2,893,400	$42.650	3.771%	Factiva	Keppel Fels wins US$75 mln marine deal. SINGAPORE, Feb 6 (Reuters) - Keppel Fels Energy & Infrastructure Ltd, the rig-building arm o f Keppel Corp , said on Tuesday that its Brazilian subsidiary had clinched a US$75 million c ontract for marine conversion work. ...
02/06/2001	2,893,400	$42.650	3.771%	Factiva	Halliburton Executive Links E&P Company Stock Prices to Internet Savvy as Seen in Energy HOUSTON--(BUSINESS WIRE)--Feb. 6, 2001--Most oil company stock performance has been disappoi nting, and one of the problems is a lack of "e-sizzle," says Robert P. Peebler, chairman of GrandBasin and vice president of Halliburton. The full ...
02/07/2001	3,563,100	$43.000	0.821%		
02/08/2001	3,283,100	$42.800	(0.465%)	Factiva	US HALLIBURTON OPENED AN OFFICE IN TEHRAN. BAKU, 8 FEBRUARY, AZER-PRESS. The US oil services giant Halliburton, headed by recently-desi gnated American Vice President Dick Cheney, has opened a trade section in Tehran. ...
02/08/2001	3,283,100	$42.800	(0.465%)	Factiva	Fitness race is a hospital fundraiser. Fitness race is a hospital fundraiser AN ABERDEEN company has pledged to get its employees f itter while raising money for the city's new children's hospital. ...
02/09/2001	1,815,300	$42.470	(0.771%)	Factiva	Penny McIntosh, director of Healthoutfit, with the HalliburtonGroup's silver award. Penny McIntosh, director of Healthoutfit, with the Halliburton Group's silver award Healthy workers receive award Simone Sinclair EMPLOYEES at an Aberdeen company have made a healthy s tart to the year by committing themselves to health and ...
02/11/2001				Factiva	Halliburton signs a US$2.5bil contract with Petrobras. The US giant goods and services supplier Halliburton signed the final version of the major c ontract of the History for the offshore production of petroleum. The company has US$2.5bil t o develop for the Brazilian state owned oil and gas ...
02/12/2001	2,988,100	$42.650	0.424%	Factiva	US oil and gas industry has high expectations from Bush administration on energy issues. Like an audience anxious for a play to begin, the US oil and gas industry has high expectati ons for the Bush administration. From industry's perspective, the casting of the lead roles couldn't be better. President George W. Bush is a one ...
02/12/2001	2,988,100	$42.650	0.424%	Factiva	BOTAS SELECTS FOUR FROM THE SHORTLIST OF THE TENDER FOR DETAILED MEP ENGINEERING. BAKU, 12 FEBRUARY, AZER-PRESS. Gokhan Yardim, head of Turkey's state pipeline concern Botas, said on Wednesday four bidders including two British, one U.S. and one German company out o f the six short-listed firms would submit bids next ...
02/12/2001	2,988,100	$42.650	0.424%	Factiva	EQUIPMENT GROUP DID NOT FIT INTO HALLIBURTON'S PLANS Energy services and construction giant Halliburton Co. sold its Dresser Equipment Group to a n investor group for $1.55 billion because it ''did not fit closely'' with its core business , according to company officials. The buyers include ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/13/2001	3,469,000	$43.250	1.407%	PR News	Landmark Launches New Version of WELLPLAN - An Advanced Planning System For Drilling Engineers
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	Man poses as payee, deposits $700,000 check WHITE PLAINS, N.Y. (AP) - A man who got hold of a $700,000 check from a Texas oil company deposited it by posing as the president of the company it was meant for, according to an indictment unsealed Wednesday. ...
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	Man poses as payee, deposits $700,000 check WHITE PLAINS, N.Y. (AP) - A man who got hold of a $700,000 check from a Texas oil company deposited it by posing as the president of the company it was meant for, according to an indictment unsealed Wednesday. ...
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	HES SIGNS TO SUPPORT MAGNUS EOR Halliburton Energy Services (HES) has signed a frame agreement with Allseas to provide remotely operated vehicle and deepwater pipelay survey support services covering both the North Sea and the Mediterranean. ...
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	AWARDS UPDATE * The merging companies Roxar and Fluenta have won contracts to supply a total of 24 multiphase meters worldwide. Statoil has made the largest order with 11 meters for the Kvitebjorn field in the North Sea but several units are also due for ...
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	Khodorkovsky urges U.S. investors to buy Russian stocks. MOSCOW, Feb 14 /Prime-TASS/ - The head of the Russian oil company YUKOS, Mikhail Khodorkovsky has urged U.S. businessmen to make direct investments in Russian oil companies by acquiring their shares. In his public statement at the center of ...
02/14/2001	3,329,600	$43.140	(0.254%)	Factiva	#NAME? Date Announced: 20010213 Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced the release of a new version of WELLPLAN, an advanced suite of tools for the drilling engineer. This new release ...
02/15/2001	3,177,400	$41.930	(3.732%)	Factiva	METRO BRIEFING Westchester County, NY, district attorney's office announces that businessman Edward Hartley and Fred Frenchman have been indicted on charges of stealing more than $700,000 from Halliburton Oil
02/15/2001	3,177,400	$41.930	(3.732%)	Factiva	WINNERS OF SIX TENDERS OF AIOC FOR PHASE ONE OF ACG WILL BE IDENTIFIED IN JUNE. BAKU, 15 FEBRUARY, AZER-PRESS. Winners in six tenders that AIOC announced on 23 November 2000 related to the first phase of full-scale development of Azeri-Chirag-Guneshli contract areas are expected to be identified in June. By 20 March ...
02/15/2001	3,177,400	$41.930	(3.732%)	Factiva	WESTCHESTER DUO HIT WITH 700G OIL-SCAM RAP Two Westchester men were charged yesterday with stealing more than $700,000 from the oil company once run by Vice President Dick Cheney. Edward Hartley, 57, of Cortlandt Manor, and Fre

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					d Frenchman, 59, of Elmsford, face up to 15 years behind ...
02/15/2001	3,177,600	$41.530	(3.7326)	Factiva	Halliburton Dividend Declaration and Shareholders' Meeting DALLAS, Feb. 15 /PRNewswire/ -- The board of directors of Halliburton Company (NYSE: HAL) today declared a first quarter dividend of 12.5 cents a share on the company's common stock payable March 22, 2001 to shareholders of record at the ...
02/15/2001	3,177,600	$41.530	(3.7326)	PR News	Halliburton Dividend Declaration and Shareholders' Meeting
02/16/2001	4,678,300	$41.900	0.8919	Factiva	MoD contract. The MoD has awarded a £300m contract for 92 heavy equipment transporters to Fasttrak, a consortium led by Halliburton Brown and Root. The new trucks will replace the army's ageing Scammell Commander fleet in a private finance initiative ...
02/16/2001	4,678,300	$41.900	0.8919	Factiva	Shaw Industries Ltd Cl A - Shaw and Halliburton to acquire Thermotite A/S Mr. Brian Conroy reports Shaw Industries and Halliburton Company's joint venture entity, Bredero-Shaw, has signed a letter of intent with Eupec PipeCoatings GmbH to acquire Thermotite A/S, a Norwegian entity specializing in custom designed ...
02/16/2001	4,678,300	$41.900	0.8919	Factiva	YUKOS CHIEF KHODORKOVSKY CALLS ON AMERICAN INVESTORS TO BUY SHARES IN RUSSIAN OIL COMPANI Mikhail Khodorkovsky, President of YUKOS Oil, called on the American business community to invest directly in Russian oil companies by buying shares. During his speech at the Center for Strategic and International Studies in Washington, he ...
02/16/2001	4,678,300	$41.900	0.8919	Factiva	Shaw Indus/Halliburton Venture To Buy Thermotite (Corrected 06:07 PM) 04:38 PM TORONTO (Dow Jones)--Bredero-Shaw, a joint venture of Shaw Industries Ltd. (SHL.A) and Halliburton Co. (HAL), signed a letter of intent with Eupec PipeCoatings GmbH to acquire Thermotite A/S, a Norwegian ...
02/16/2001	4,678,300	$41.900	0.8919	Factiva	Shaw Industries Ltd. and Halliburton Company announce letter ofintent to acquire Thermoti TORONTO and DALLAS, TX, Feb. 16 /CNW/ - Shaw Industries Ltd. (TSE: SHL.A, SHL.B) and Halliburton Company (NYSE: HAL) announced that their joint venture entity, Bredero-Shaw, has signed a letter of intent with Eupec PipeCoatings GmbH to ...
02/16/2001	4,678,300	$41.900	0.8919	Factiva	Kursk to Remain on the Bottom. A contract to lift the Kursk submarine was scheduled to be signed by the Russian RUBIN central design bureau and a consortium of the U.S. HALLIBURTON's Norwegian subsidiary and the Dutch HEEREMA, SMIT INTERNATIONAL and MAMUT companies on ...
02/17/2001	.	.	.	Factiva	US$73mil in oil platform. The oil tanker Stena Concord is already in the shipbuilding company Estaleiro Brasfels (Veroime) where it will be changed into a FSPO platform. The company will invest US$73mil in the change that might be concluded by late 2002. Stena is a ...
02/18/2001	.	.	.	Factiva	RAID ON IRAQ - INSIDE IRAQ - City of martyrs wins the propaganda war. Saddam Hussein's regime has made sure that Al Amariah is the biggest tourist attraction in Iraq. When I was there shortly before Christmas, those doing this tour were mainly delegates

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					from the Baghdad trade fair which had attracted 1,500 ...
02/18/2001	.	.	.	Factiva	THAI OLEFINS CO. (TOC) PLANS To BUILD A $210 MILLION, 300,000 TONNE/YEAR ETHYLENE GLYCOL TOC will integrate the plant with its existing Map Ta Phut petrochemical complex at Rayong, Thailand. To build the facility, TOC will form a JV firm with international companies. The c ompany recently awarded Chiyoda Corp. and Halliburton a ...
02/19/2001	.	.	.	Factiva	Sonangol. In other refining news, Sonangol is seeking strategic partners to build a refinery, said Hal liburton affiliate Kellogg Brown & Root, which recently completed a feasibility study for th e project. The 200,000 b/d grassroots refinery would be ...
02/19/2001	.	.	.	Factiva	SERVICE WORK FORCE ISN'T KEEPING PACE WITH OIL AND GAS DEMAND, EXECS WARN It's not hard to visualize a time when the demand for energy is twice what it is today, yet the oil and gas workforce is only half its current size, said Jed D.Paolo, senior vice presi dent of global business development at Halliburton Co ...
02/19/2001	.	.	.	Factiva	Thai Olefins to build an ethylene glycol plant. Thai Olefins Co is to build a 300,000 tonnes/y ethylene glycol plant at its petrochemical co mplex at Rayong at a cost of $210 M. to be funded by joint ventures with international compa nies. The new plant will complement the 300,000 tonnes/y ...
02/20/2001	6,636,300	$41.690	(0.8018)	Factiva	Boots & Coots to Cap Gas Fire in Mississippi HOUSTON, Feb. 20 /PRNewswire/ -- Boots & Coots International Well Control, Inc. (Amex: WEL), continues to fight a large gas well fire near Waynesboro, Mississippi for Bean Resources In c. The blowout occurred on February 13, 2001 and Boots ...
02/21/2001	2,428,400	$41.500	(0.4566)		
02/22/2001	2,759,900	$40.060	(3.4228)	Factiva	C2001/056/05 - Prior notification of a concentration (Case COMP/M.1976 - Shell/HalliBurto Publication reference: Official Journal C 056 , 22/02/2001 P. 0006 - 0006 CELEX number 3: CO 1/056/05 Author: European Commission Form: Information
02/23/2001	1,890,800	$39.550	(1.3229)	Factiva	BOOTS & COOTS Internationa BOOTS & COOTS International Well Control is currently fighting a large gas well fire near Wa ynesboro, Mississippi for Bean Resources. Halliburton Energy Services, a strategic alliance partner with Boots & Coots, is on site using abrasive ...
02/23/2001	1,890,800	$39.550	(1.3229)	Factiva	GTI & DOE Study Commercial Feasibility of Laser Drilling DES PLAINES, Ill., Feb. 23 /PRNewswire/ -- Gas Technology Institute (GTI), the U.S. Departme nt of Energy's National Energy Technology Laboratory (NETL), and its partners have begun wor k to further examine the commercial viability of ...
02/24/2001	.	.	.	Factiva	SHELL AND HALLIBURTON NOTIFY NEW VENTURE WELLDYNAMICS. The European Commission has received notification of the creation of new oil drilling compan y Welldynamics by oil company Shell Petroleum NV and US engineering business Halliburton. Th

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					e joint venture may fall within the scope of Regulation ...
02/25/2001	.	.	.	Factiva	What Gulf of Mexico? It's Lake Disney Now!; 'Little Mermaid' Theme Park with Actual Merpe ORLANDO, Fla. -- Scientists working in a secret laboratory beneath the Magic Kingdom here ha ve created the first cross-species clone using genetic material harvested from a female tuna and the preserved remains of Walt Disney himself. They ...
02/25/2001	.	.	.	Factiva	Presidential Home to Be Rechristened 'Halliburton House'; W: 'It's More Euphonlious That WASHINGTON -- -Speaking from the Oval Office today, Vice President Cheney announced that the federal government had reached an agreement with Halliburton Inc. to change the name of the White House, home to U.S. presidents for 200 years, to ...
02/26/2001	2,641,300	840.760	3.059%	Factiva	INTERNET TECHNOLOGY IS RESHAPING THE ENERGY INDUSTRY. And it is doing so in ways that few participants yet comprehend, said Robert P. Peebler, vic e-president of e-business strategy at Halliburton Co., at a Feb. 15 e-business workshop in H ouston sponsored by the Society of Petroleum Engineers. ...
02/26/2001	2,641,300	840.760	3.059%	Factiva	HALLIBURTON-SHAW INDUSTRIES JOINT VENTURE PLANS TO BUY THERMOTITE A/S Brodero-Shaw, a joint venture of Halliburton Co. (NYSE: HAL) and Shaw Industries Ltd. (TSE: SHL.A and SHL.B), signed a letter of intent with Eupec Pipe Coatings GmbH to acquire Thermot ite A/S, a Norwegian entity specializing in custom ...
02/26/2001	2,641,300	840.760	3.059%	Factiva	THE COMMERCIAL VIABILITY OF USING HIGH-POWERED LASERS TO DRILLFOR OIL AND NATURAL GAS IS THE COMMERCIAL VIABILITY OF USING HIGH-POWERED LASERS TO DRILL for oil and natural gas is un der review by DOE's National Energy Technology Laboratory and the Gas Technology Institute (formerly the Gas Research Institute). GTI announced ...
02/26/2001	2,641,300	840.760	3.059%	Factiva	CLASS ACTS Washington Elementary The following students and staff were honored for friendly behavior at a recent Washington This Week assembly: Joe Maxwell, Garrett Boyles, Joey Denney, Donavan R oberts, Doug Smith, Tiffany Fernandez, Gregory ...
02/26/2001	2,641,300	840.760	3.059%	Factiva	CNOOC awards fertiliser equipment contract to KBR. BEIJING, Feb 27 (Reuters) - China National Offshore Oil Corp has awarded an equipment contra ct valued at more than $100 million for China's largest chemical fertiliser plant to U.S. pe trochemical firm KBR Co, officials said on Tuesday. ...
02/27/2001	2,362,700	841.450	1.693%	Deutsche Bank Rese	OILFIELD SERVICES AND EQUIPMENT - Continue to Favor Later Cycle Names, Which are Starting to Outperform
02/27/2001	2,362,700	841.450	1.693%	Factiva	HALLIBURTON CO, Inst. Equity Holders, 4Q 2000 (HAL) ISSUER: HALLIBURTON CO SYMBOL: HAL WASHINGTON (FTSW) -- The following table shows the 50 lar gest shareholders in HALLIBURTON CO (HAL) for the quarter ended Dec. 31, 2000, listed by hol ding size. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
02/28/2001	2,299,000	$39.820	(3.932%)	Factiva	CNOOC awards fertiliser equipment contract to KBR. BEIJING - China National Offshore Oil Corp has awarded an equipment contract valued at more than $100 million for China's largest chemical fertiliser plant to U.S. petrochemical firm K BR Co. officials said on Tuesday. ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Waukesha Engine (sold to investment companies) (Brief Article) Waukesha Engine has been sold as part of the overall sale of Dresser Equipment Group (DEG). DEG was purchased from Halliburton for $1.55 billion in cash by a pair of private investment companies, First Reserve Corp. and Odyssey Investment ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	MRI measurement includes analysis of reservoir fluids. (magneticresonance imaging log) (Bri A new real-time enhanced reservoir fluids analysis product is being used with present tool t echnology to generate magnetic resonance imaging (MRI) measurements with interpreted analysi s. The tool, developed by Halliburton Energy Services ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Drilling measurement service. (PWD Measurement Service) (Brief Article) Halliburton Company uses its PWD(R) Measurement Service to measure annular and internal pres sure, while drilling to calculate ECD and monitor hole-cleaning effectiveness. The service i s part of the drilling Efficiency Equipment Package (D.E ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Workforce, rigs need attention, to meet future demand NewsWell It's not hard to visualize a time when the demand for energy is twice what it is to day, yet the oil and gas workforce is only half its current size, says Jed DiPaolo, senior v ice president of global business development at ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Halliburton selling Dresser Equipment Halliburton Co. (NYSE: HAL) is selling its Dresser Equipment Group (DEG) for $1.55 billion i n cash to an investor group consisting of First Reserve Corp., Odyssey Investment Partners L LC and DEG management. ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Halliburton to sell Dresser Equipment Group to investors. (BriefArticle) Halliburton Co. recently said it will sell its Dresser Equipment Group (DEG) to an investor group that includes the existing DEG management team. DEG consists of Dresser Valve Division , Dresser OMD-Roots Division, Dresser Instrument ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	News in brief. Halliburton is selling its Dresser Equipment Group subsidiary for $1.1bn to a group includin g First Reserve and Odyssey Investment Partners. Halliburton will keep a 5% stake in the uni t.
03/01/2001	1,703,900	$40.210	0.979%	Factiva	OIL SERVICE BUSINESS NEWS Mergers & Acquisitions United States First Reserve Corp., Houston, and Odyssey Investment Pa rtners LLC, New York, plan to acquire Dallas, Texas-based Halliburton Co. (NYSE: HAL) subsid iary Dresser Equipment Group for approximately $1.55 ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	US$4.735bil in petroleum production. The three main petroleum production development project in process in Brazil will generate 9 6,000 jobs until 2004 in case the Brazilian industry participation be of 30%. If the figure

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					reaches 70% the number of vacations will reach 215,000 ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 67 6. Postal Code 4098 ...
03/01/2001	1,703,900	$40.210	0.979%	Factiva	Kellogg Brown & Root team to build ethylene plant (for Thai Olefins Co.) (Brief Article) Kellogg Brown & Root and Chiyoda Corp. have been selected by Thai Olefins Co. to provide eng ineering, procurement and construction services for a new ethylene plant in Map Ta Phut. The facility will be built using KBR's Selective Cracking ...
03/02/2001	2,173,600	$41.320	2.761%	Factiva	Endymion Boards Major Clients And Talent In Post-Dot-Com Environment OAKLAND, CA -- (INTERNET WIRE) -- 02-03-2001 -- In less than 6 months since the meltdown in the dot-com sector, Oakland-based Endymion Systems, Inc. has evolved into a premier Internet professional services company. Endymion has drawn an ...
03/02/2001	2,173,600	$41.320	2.761%	Factiva	Fuel pump maker to close plant 300 jobs being lost as Wayne shutters Salisbury facility; The Wayne Division of Dresser Equipment Group will shut down its gas station fuel pump manuf acturing plant in Salisbury and lay off about 300 workers by the end of April, according to company and union officials. ...
03/02/2001	2,173,600	$41.320	2.761%	Factiva	Neuqua Valley 49, Belleville East 46 Belleville East (26-4) May 0-4 4-4 4, Murphy 4-10 0-0 10, Sanlin 4-7 1-4 9, Halliburton 4-17 1-3 12, Sanders 5-13 1-4 11, Strausbaugh 0-0 0-0 0, Willis 0-0 0-0 0. Totals 17-51 7-15 46. ...
03/02/2001	2,173,600	$41.320	2.761%	Factiva	Neuqua Valley 49, Belleville East 46 Belleville East (26-4) May 0-4 4-4 4, Murphy 4-10 0-0 10, Sanlin 4-7 1-4 9, Halliburton 4-17 1-3 12, Sanders 5-13 1-4 11, Strausbaugh 0-0 0-0 0, Willis 0-0 0-0 0. Totals 17-51 7-15 46. ...
03/05/2001	1,623,200	$42.120	1.936%	Factiva	Short Interests: 'Realists' see lighter shade of green Light Green Advisors may sound like an interior decorating firm, but it's actually the name of a Seattle-based money manager. The firm strives to invest in environmentally friendly com panies. But a look at its EcoIndex and Environmental ...
03/05/2001	1,623,200	$42.120	1.936%	Factiva	Halliburton Company Announces Availability of DecisionSpace Date Announced: 20001003 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, announced the availability of DecisionSpace, a Web-enabled, risk-based decision support solution. DecisionSpace is browser-based, ASP ready and ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company Signs Agreement with Petrobras Date Announced: 20001003 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, announced that it has it signed an agreement with Petrobras, an oil company in Colombia, to rationalize data management and information sharing ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company to Expand Sales Agreement with Network Appliance, Inc. Date Announced: 20001003 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, announced that it intends to expand its current sales agreement with Network Appliance, Inc., a provider of network- attached data access and ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	National-Oilwell, Inc. Acquires Two Pump Product Lines from Halliburton Company Date Announced: 20000906 National-Oilwell, Inc. announced that it has acquired the Wheatley Gaso and Omega pump product lines from Halliburton Company for approximately $13 million cas h.
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company Announces David Lesar Replaces Dick Cheneyas Chairman and Chief Execu Date Announced: 20000816 Halliburton Company announced that David Lesar has replaced Richard Cheney as Chairman and Chief Executive Officer.
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company Delivering Web-Based Services Called MyLandmark Date Announced: 20000828 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced that it will deliver customer support and knowledge services via the Internet. The new Web-based services, called ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company Gains Services Contract from Conoco Limited Date Announced: 20000801 Brown & Root Energy Services, a business unit of Halliburton Compan y, won a major services contract from Conoco Limited, the British exploration and production subsidiary of Conoco. The five-year contract, ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company and The Foxboro Company.Enter into Marketing Agreement Date Announced: 20000727 The Foxboro Company and Kellogg Brown & Root (KBR), a business unit of Halliburton Company have entered into an advanced process automation marketing agreement . Initially, the agreement will focus on the KBR ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company's Chairman and Chief Executive Officer, Dick Cheney to be Vice Presid Date Announced: 20000725 Halliburton Company's Chairman and Chief Executive Officer, Dick Ch eney, announced that he has accepted the invitation of George W. Bush to be Bush's Republica n Party vice presidential running mate. Cheney will ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company and Petrobras to Develop Offshore Oil Fields in Brazil Date Announced: 20000705 Halliburton Company and Petrobras announced that the two companies have signed contracts to proceed with the development of both the Barracuda and the Caratinga offshore oil fields in Brazil. The contracts are ...
03/05/2001	1,623,200	842.120	1.9369	Factiva	Halliburton Company and PricewaterhouseCoopers to Market and Implement Capital Allocation Date Announced: 20000612 Landmark Graphics Corporation, a business unit of Halliburton Compa ny, and PricewaterhouseCoopers, the professional services organization, agreed to jointly ma

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rket and implement capital allocation and performance ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company and BioComp Systems Awarded US Patent Date Announced: 20000523 Halliburton Energy Services, Inc., a business unit of Halliburton C ompany, and BioComp Systems jointly announced the award of U.S. patent 6,002,985 describing methods for controlling the development of oil and gas ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company Completes Initial Trials of New Technology Date Announced: 20000502 Halliburton Energy Services, a business unit of Halliburton Company , announced that the initial trials of its new technology, the Anaconda Advanced Well Constr uction System, have been completed. Based on advances ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company to Sell its Dresser Equipment Group Business Segment and Issue Share Date Announced: 20000426 Halliburton Company announced that its board of directors approved plans to sell the Company's Dresser Equipment Group (DEG) business segment and implement a s hare repurchase program for up to 44 million shares, or ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company Releases DepthTeam Express Date Announced: 20000414 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced the release of DepthTeam Express, a solution for integrating seis mic and geologic data. DepthTeam Express helps ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company and Science Applications International Corporation to Form Joint Vent Date Announced: 20000410 Halliburton Company and Science Applications International Corporat ion, a research and engineering company, announced their intent to form a venture that will provide Web-based portals tailored to the way upstream ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company Signs Third-Party Agreement with ScientificResolutions, L.P. Date Announced: 20000329 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced the signing of a multiyear third-party agreement with Scientific Resolutions, L.P. The third-party relationship involves ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company and McMoRan Exploration Co. Form StrategicAlliance Date Announced: 20000327 McMoRan Exploration Co. and Halliburton Company announced the forma tion of a strategic alliance to conduct operations for McMoRan's recently announced major ne w oil and gas exploration and development program in ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company Creates Team of Experts to Accelerate Application and Delivery of Dee Date Announced: 20000308 Halliburton Energy Services (HES), a business unit of Halliburton C ompany, has created a team of established experts to speed the development, application and delivery of deepwater solutions. The team of ...
03/09/2001	1,623,200	842.120	1.936%	Factiva	Halliburton Company Releases iDims to Couple with Intranet Site Date Announced: 20000302 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced the release of iDims for online Intranet access to drilling and w ell services operations data. Coupled with a customer's ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/05/2001	1,623,200	$42.120	1.9369	Factiva	Halliburton Company Receives Contract to Expand Natural Gas Complex Date Announced: 20000122 A Kellogg Brown & Root consortium received a $7.5 billion contract from Malaysia LNG Tiga Sdn. Bhd, under which the consortium, which includes JGC Corp. and Si me Engineering Sdn. Bhd, will expand a liquefied ...
03/06/2001	2,407,600	$42.850	1.7334		
03/07/2001	5,986,100	$44.750	4.4349	Factiva	Big U.S. exporters to fight Ex-Im Bank cuts - WSJ. NEW YORK, March 7 (Reuters) - America's largest exporters are launching an aggressive lobbyi ng campaign on Capitol Hill to protect the Export-Import Bank from budget reductions, the Wa ll Street Journal reported in its online edition on ...
03/08/2001	3,101,000	$45.160	0.9169	Factiva	'STAR WARS' LASERS MAY ASSIST OIL, NATURAL GAS DEVELOPMENTS In a bid to adapt defense laser technologies to oil and gas drilling, the National Energy Te chnology Laboratory and the Gas Technology Institute are collaborating on what they call a h igh-risk venture that could revolutionize hydrocarbon ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	VP Cheney makes his bed - and lies in it too. US VICE President and former Halliburton supremo Dick Cheney clearly recognises the importan ce of having friends in the right places. Cheney, via his lawyer, made it known this week th at all his remaining shares in Halliburton had been sold ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	Seven Seas Petroleum Inc - Seven Seas hires Lefaive as VP, finance and CFO Mr. Robert Hefner III reports Ronald A. Lefaive is joining Seven Seas Petroleum as vice-pres ident of finance and chief financial officer. Mr. Lefaive has 25 years of finance and accoun ting experience in the domestic and international oil ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	Seven Seas Petroleum Names Ronald A. Lefaive Finel Chief HOUSTON -(Dow Jones)- Seven Seas Petroleum Inc. (SEV) named Ronald A. Lefaive chief financia l officer and vice president, finance, and hired CIBC World Markets Corp. to provide financi al advice. ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	Halliburton Company Awarded Contract by Defense Threat Reduction Agency Date Announced: 20000823 Brown & Root Services, a business unit of Halliburton Company, has been awarded a contract by the Defense Threat Reduction Agency to provide integrated project management, integrated logistics support, and data ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	Halliburton Company Signs Definitive Agreement to Acquire Equity Position in Petroleum Pl Date Announced: 20000803 Halliburton Company announced that its Halliburton Energy Services, Inc. subsidiary has signed a definitive agreement to acquire a 15% equity position in Petro leum Place, Inc., an Internet company focused on the ...
03/09/2001	2,768,900	$44.510	(1.4359)	Factiva	Halliburton Company Selected to Develop Oil and Gas Facility for The Shell Petroleum Deve Date Announced: 20000417 Brown & Root Energy Services, a business unit of Halliburton Compan y, has been selected by The Shell Petroleum Development Company of Nigeria Limited (SPDC) an d its partners to work on the development of the ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/09/2001	2,768,900	844.510	(1.439%)	Factiva	Halliburton Company and Shell International Exploration and Production B.V. to Establish Date Announced: 20000412 Halliburton Company and Shell International Exploration and Product ion B.V. announced that they have signed a Memorandum of Understanding for the establishment of a 50-50 joint venture to further develop and market ...
03/09/2001	2,768,900	844.510	(1.439%)	Factiva	Halliburton Company to Provide Integrated Solutions for Texaco, Inc. Date Announced: 20000329 Texaco, Inc. has awarded Landmark Graphics Corporation, a wholly ow ned business unit of Halliburton Company, a multi-year agreement to provide a range of integ rated solutions for exploration, development, ...
03/09/2001	2,768,900	844.510	(1.439%)	Factiva	Halliburton Company Offer to Acquire PES (International) Limited Declared Unconditional; Date Announced: 20000216 Halliburton Company announced that the it has declared unconditiona l its offer to acquire the approximately 74% of PES (International) Limited shares not curre ntly owned by Halliburton. Holders have accepted the ...
03/09/2001	2,768,900	844.510	(1.439%)	Factiva	Halliburton Company Sells Joint Venture Interest to Subsidiaryof its Joint Venture Partne Date Announced: 20000202 Halliburton Company announced that its subsidiary, Dresser Industri es, Inc. (Dresser), has completed the sale of its 51% joint venture interest in Dresser-Rand Company to a subsidiary of its joint venture partner, ...
03/09/2001	2,768,900	844.510	(1.439%)	SunTrust Robinson	HAL - Introducing Preliminary 2002 EPS Estimate
03/12/2001	2,526,500	843.060	(3.258%)	Factiva	Sperry-Sun Drilling Services. Sperry-Sun Drilling Services, an affiliate of Halliburton Energy Services, completed the ins tallation of what it says is the first isolated tie-back system (ITBS). The system was insta lled in Norsk Hydro's Y-22 well in Troll Olje field. The ...
03/12/2001	2,526,500	843.060	(3.258%)	Factiva	EQUIPMENT FOR INTERPRETING ATESHGYAKH SEISMIC DATA CAME TO BAKU. BAKU, 12 MARCH, AZER-PRESS. The British-US Landmark, the sub-division of Halliburton, has de livered the equipment for interpreting the three-dimensional seismic findings from Ateshgyak h-Yanan Teve-Hugan Denis to Baku. ...
03/12/2001	2,526,500	843.060	(3.258%)	Factiva	News Highlights: Northeast Utilities Sues Con Edison Top Of The Hour Northeast Utilities Sues Con Edison >NU ED Weatherford Buys Tesco Corp Asset s For $33M >WFT Halliburton Closes Buy Of PGS Data Mgmt For About $175M >HAL DJIA Down 194; Nasdaq Down 87 >N/NYS N/NDQ ...
03/12/2001	2,526,500	843.060	(3.258%)	Factiva	Kursk Lifting Postponed until Fall. All operations to lift the Russian Kursk submarine from the bottom of the Barents Sea will b e postponed until "late summer or early fall," said Russian deputy prime minister Ilya Klebanov, head of the governmental commission investigating ...
03/12/2001	2,526,500	843.060	(3.258%)	Factiva	Petroleum Geo-Services Closes Sale of Data Management Unit to -Landmark Graphics, Houston, Texas; Oslo, Norway; March 12, 2001: Petroleum Geo-Services ASA (NYSE:PGO)(OSE:PGS) announced today that it has completed the sale of its global Petrobank Data Management busi ness and related software to Landmark Graphics ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/12/2001	2,526,300	$43.060	(3.258%)	PR News	Halliburton and Landmark Graphics Complete Acquisition of PGS Data Management Division
03/13/2001	2,816,900	$41.180	(4.366%)	Factiva	Li's $26m loan keeps Darwin line on track. The proposed Alice Springs to Darwin railway may proceed as planned after receiving further funds. In March 2001, Hong Kong's Cheung Kong Infrastructure Holdings (CKI) has lent $A26.5 million to the South Australian Government on top of its ...
03/13/2001	2,816,900	$41.180	(4.366%)	Factiva	Landmark Acquires PGS Unit. Norway's Petroleum Geo-Services (PGS) announced Monday that it has completed the sale of its global Petrobank Data Management business and related software to Landmark Graphics under t he Dec. 29 agreement with Halliburton and Landmark ...
03/13/2001	2,816,900	$41.180	(4.366%)	PR News	Oceaneering Announces Letter of Intent to Supply Umbilicals
03/14/2001	3,596,200	$40.860	(0.777%)	Factiva	The Arts - Theatre - Adventures in the far north. It may seem surprising but Canada is home to some of the world's most exhilarating theatre, writes Rachel Halliburton. Take this Arctic Circle ...
03/14/2001	3,596,200	$40.860	(0.777%)	Factiva	Halliburton acquires PetroBank system. Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, has acqu ired PGS Data Management, a division of Petroleum Geo-Services ASA. ...
03/14/2001	3,596,200	$40.860	(0.777%)	Factiva	Ingersoll-Rand Company Completes Purchase of Dresser-Rand Company Date Announced: 20000202 Ingersoll-Rand Company announced that it has completed the purchase of Dresser-Rand Company. The transaction involved acquiring the share of the joint venture held by Halliburton Company.
03/15/2001	3,056,800	$39.990	(2.129%)	A.G. Edwards & Son	Monthly Oilfield Service Industry Comment
03/15/2001	3,056,800	$39.990	(2.129%)	Factiva	Oceaneering Sets Work off Brazil. Oceaneering International announced Tuesday that its affiliate Marine Production Systems do Brazil (MPS) has been awarded a letter of intent with Halliburton to supply subsea umbilical s for the Barracuda and Caratinga fields, located in the ...
03/15/2001	3,056,800	$39.990	(2.129%)	Factiva	SDS Corporation Limited (SDS.AX) Halliburton-Fluid Hammer Order. Pursuant to the company's earlier announcement of February 1, 2001, the company wishes to ad vise that it has received it's first order for Fluid Hammer equipment from Halliburton Energ y Services Inc.. ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	EU says Halliburton-Royal Dutch Shell joint venture poses no antitrust problems BRUSSELS, Belgium (AP) - The European Union Commission said on Friday it gave antitrust clea rance to Halliburton Co. of the United States and Royal Dutch Shell's plan to set up a joint venture called Halldynamics. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	EU says Halliburton-Royal Dutch Shell joint venture poses no antitrust problems BRUSSELS, Belgium (AP) - The European Union Commission gave antitrust clearance Friday to th e plans of Halliburton Co. of the United States and Europe's Royal Dutch Shell to set up an oil service joint venture. ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	EU approves Shell, Halliburton joint venture. BRUSSELS, March 16 (Reuters) - The European Commission on Friday approved a plan by U.S. ene rgy services group Halliburton and a unit of Royal Dutch Shell to form a joint venture, Well Dynamics, to take over a subsidiary of Halliburton. ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	Apache play set to break Chinese duck. APACHE has kicked off its first field development in China with the launch of its shallow-wa ter Zhao Dong oil project in the Bohai Bay, writes James Tham. ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	EU Give Clearance to Halliburton BRUSSELS, Belgium (AP) - The European Union Commission gave antitrust clearance Friday to th e plans of Halliburton Co. of the United States and Europe's Royal Dutch Shell to set up an oil service joint venture. ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	News Highlights:Bush Admin Wants Bigger Tax Cuts, Sooner Top Of The Hour Bush Admin Wants Bigger Tax Cuts, Sooner - USA Today >G/EXE Oshkosh Truck Se es 2Q, Year Sales, Net Below Estimates >OTHKB VW To Increase 00 Common Shr Div To EUR1.20 Vs EUR0.77 >G.VOW Leap Wireless To ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	News Highlights: Feb Producer Prices +0.1%, As Seen Top Of The Hour Feb Producer Prices +0.1%; Consensus +0.1% >M/EMI US Housing Starts -0.4% To 1.647 Mln Rate In Feb >M/EMI OPEC Source: Cut Volume Agreed, Group Won't Reveal Size >N/OPC Goodrich Pete 4Q Net 35c A ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	News Highlights:Bush Admin Wants Bigger Tax Cuts, Sooner Top Of The Hour Bush Admin Wants Bigger Tax Cuts, Sooner - USA Today >G/EXE Oshkosh Truck Se es 2Q, Year Sales, Net Below Estimates >OTHKB VW To Increase 00 Common Shr Div To EUR1.20 Vs EUR0.77 >G.VOW Leap Wireless To ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	News Highlights: Feb Producer Prices +0.1%, As Seen Top Of The Hour Feb Producer Prices +0.1%; Consensus +0.1% >M/EMI US Housing Starts -0.4% To 1.647 Mln Rate In Feb >M/EMI OPEC Source: Cut Volume Agreed, Group Won't Reveal Size >N/OPC Goodrich Pete 4Q Net 35c A ...
03/16/2001	2,877,700	$39.100	(2.226%)	Factiva	BJ Services Company Files a Patent Infringement Lawsuit Date Announced: 20000321 BJ Services Company announced that it has filed a patent infringeme nt lawsuit against Halliburton in connection with BJ's Vistar fracturing fluid system. The l awsuit was filed in Federal Court in Houston, Texas. In ...
03/17/2001	.	.	.	Factiva	Commission approves energy-services joint-venture plan. Commission approves energy-services joint-venture plan THE European Commission has approved a plan by US energy-services group Halliburton and a unit of Royal Dutch/Shell to form an Ab

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					erdeen-based joint venture, Welldynamics, ...
03/17/2001 .	.	.		Factiva	COMMISSION CLEARS SHELL AND HALLIBURTON JOINT VENTURE. The European Commission has cleared the joint venture between Shell Petroleum NV and US engi neering company Halliburton. The company called Welldynamics will offer services to the oil and gas drilling industry, in particular the creation of ...
03/18/2001 .	.	.		Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
03/18/2001 .	.	.		Factiva	MAGAZINES If you needed any confirmation that tourism is big business, all you have to do is pick up a copy of Oxford American ($5.95). Usually devoted to Southern literature, music, food and od dities, the March/ April issue of John Grisham's ...
03/19/2001 3,041,000	$40.615	3.862%		Factiva	WCS senior vice-president Fraser Innes. WCS senior vice-president Fraser Innes Weatherford growth means jobs boost for North-east Is n Forsyth WEATHERFORD Completion Systems is creating a number of new jobs in the North-east. WCS was established as a new division at the end of ...
03/19/2001 3,041,000	$40.610	3.862%		Factiva	EC Approves WellDynamics Plan. The European Commission (EC) on Friday approved a plan by US energy services group Halliburt on and a unit of Royal Dutch/Shell to form a joint venture, Welldynamics, to take over a Hal liburton subsidiary. ...
03/19/2001 3,041,000	$40.610	3.862%		Factiva	Senator makes flap with cockfight bill To Sen. Frank Shurden, his proposal to give constitutional protection to cockfighting helps safeguard individual freedoms. To Janet Halliburton, it helps make Oklahoma the laughingstoc k of the nation. ...
03/19/2001 3,041,000	$40.610	3.862%		PR News	Landmark Graphics Announces Agreement to Acquire Majority Interest in a New Company - LMK Re sources
03/20/2001 3,149,200	$41.100	1.207%		Factiva	EU/COMPETITION - GREEN LIGHT TO JOINT VENTURE BETWEEN SHELL ANDHALLIBURTON. Brussels, 19/03/2001 (Agence Europe) - The European Commission authorised the creation of a joint venture between the Dutch group Shell Petroleum NV (oil, gas and chemical products) an d the American company Halliburton (oil related services ...
03/20/2001 3,149,200	$41.100	1.207%		Factiva	INTERVIEW-Halliburton CEO sees markets improving gradually. HOUSTON, March 20 (Reuters) - Halliburton Co., the world's biggest oilfield services company , is seeing a gradual broadening of recovery in demand at its core upstream energy business, Chief Executive Officer Dave Lesar said on Tuesday. ...
03/20/2001 3,149,200	$41.100	1.207%		Factiva	Halliburton Company's Landmark Unit Announces Agreement to Acquire Majority Interest in L Date Announced: 20010319 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced a definitive agreement to acquire majority ownership in LMK Resou

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rces Ltd., the parent company previously known as ...
03/20/2001	3,145,200	$41.100	1.207%	Factiva	Halliburton Company's Landmark Unit Completes Acquisition of PGS Data Management Division Date Announced: 20010312 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced that it has completed its acquisition of PGS Data Management (PGS DM), a division of Petroleum Geo-Services ASA
03/20/2001	3,145,200	$41.100	1.207%	PR News	Landmark Graphics Releases SeleVision for OpenWorks
03/21/2001	3,320,800	$38.790	(5.620%)	Factiva	STOLT/ROCKWATER JV SECURES VESTERLED WORK Norsk Hydro has awarded Halliburton Subsea a NKr 200m (US $22m) contract for the Vesterled s ubsea tie-in work. The deal is awarded to the Stolt Rockwater Joint Venture - a JV between H alliburton Subsea and Stolt Offshore - which is covered ...
03/21/2001	3,320,800	$38.790	(5.620%)	Factiva	STOLT/ROCKWATER JV SECURES VESTERLED WORK Norsk Hydro has awarded Halliburton Subsea a NKr 200m (US $22m) contract for the Vesterled s ubsea tie-in work. The deal is awarded to the Stolt Rockwater Joint Venture - a JV between H alliburton Subsea and Stolt Offshore - which is covered ...
03/21/2001	3,320,800	$38.790	(5.620%)	Factiva	Highlands Insur Wins Judgment Vs Halliburton Co. LAWRENCEVILLE, N.J. -(Dow Jones)- Highlands Insurance Group Inc. (HIC) said a Delaware chance ery court ruled in its favor in a case against Halliburton Co. (HAL) regarding fixed-cost in surance policies. ...
03/21/2001	3,320,800	$38.790	(5.620%)	Factiva	Highlands Insurance Group, Inc.: Delaware Court Issues Opinionfavorable To Highlands In H LAWRENCEVILLE, N.J., March 21 /PRNewswire/ -- Highlands Insurance Group, Inc. (NYSE: HIC), a property and casualty insurer, announced today that the Delaware Chancery Court issued its opinion in Highlands Insurance Group, Inc. v ...
03/22/2001	4,695,900	$37.860	(2.398%)	Factiva	Highlands Insurance wins court decision over claims NEW YORK, March 22 (Reuters) - Highlands Insurance Group Inc. has won a court victory over $ 50 million worth of asbestos-related insurance claims made by a subsidiary of its former par ent, Halliburton Co., the energy construction and ...
03/22/2001	4,695,900	$37.860	(2.398%)	Factiva	UPDATE 1-Halliburton to appeal Highlands asbestos ruling. DALLAS, March 22 (Reuters) - Halliburton Co., the world's biggest oilfield services company, said on Thursday it would appeal a ruling on liability for asbestos claims that could cost it over $50 million in a dispute with its former ...
03/22/2001	4,695,900	$37.860	(2.398%)	Factiva	Highlands Wins Asbestos Judgment Against Halliburton. A Delaware court said fixed-cost insurance policies in force when an insurer was spun off fr om a Halliburton Co. subsidiary were terminated when the 1996 spin-off occurred, releasing t he insurer from obligations under the policies. ...
03/22/2001	4,695,900	$37.860	(2.398%)	Factiva	Halliburton To Appeal Ruling In Fixed-Cost Case DALLAS -(Dow Jones)- Halliburton Co. (HAL) will appeal a Delaware court's decision against t he company in its litigation with Highlands Insurance Group Inc. (HIC) regarding fixed-cost

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					insurance policies. ...
03/22/2001	4,495,900	$37.860	(2.398%)	Factiva	Halliburton to Appeal Court Ruling DALLAS, March 22 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that the De laware Chancery Court issued an opinion yesterday in the pending litigation between the comp any and its Kellogg Brown & Root, Inc. subsidiary and ...
03/22/2001	4,495,900	$37.860	(2.398%)	PR News	Halliburton to Appeal Court Ruling
03/23/2001	2,997,900	$38.850	2.615%	Factiva	Halliburton to Appeal Ruling. Halliburton, the world's biggest oil field services company, said Thursday that it will appe al a ruling on liability for asbestos claims that could cost it more than $50 million in a d ispute with its former subsidiary Highlands Insurance ...
03/23/2001	2,997,900	$38.850	2.615%	RBC Capital Market	HAL N-.HALLIBURTON LOSES FIRST ROUND OF ASBESTOS LITIGATION
03/26/2001	2,664,700	$38.970	0.309%	Factiva	Halliburton cementing crew sets new world records using ReverseCirculation Method. Wyoming -- Two world records were eclipsed recently in a well operated by Denver-based Barre tt Resources. Bullfrog Unit 89-13, located in Natrona County, was cemented using the Reverse Circulation method in conjunction with the ZoneSeal(TM ...
03/26/2001	2,664,700	$38.970	0.309%	Factiva	Successful ZoneSeal(TM) Isolation Process creates $2.9 millioneconomic value and eliminat Nova Scotia -- During normal drilling operations on a well in the Trepassy field, off shore S able Island, a channel formed between the conductor pipe and the surface hole. There was pot ential for losing both the well and the drilling jacket ...
03/26/2001	2,664,700	$38.970	0.309%	Factiva	Kellogg Brown & Root. Kellogg Brown & Root, a business unit of Halliburton, the contractor for the Malampaya platf orm, said SembCorp Engineering International has completed construction of the topsides for the platform, slated for Malampaya gas field development ...
03/26/2001	2,664,700	$38.970	0.309%	Factiva	Cancoil Integrated Services Inc - Cancoil, Technicoil sign MOUwith Halliburton Mr. Arthur Dumont reports Cancoil Integrated Services and its subsidiary in the United State s, Technicoil Integrated Services Inc., have entered into a memorandum of understanding with Halliburton Energy Services, effective March 22, 2001 ...
03/26/2001	2,664,700	$38.970	0.309%	Factiva	Cancoil Integrated Services Inc. Announces Signing of Memorandum of Understanding with Ha NEWS RELEASE TRANSMITTED BY CCN NEWSWIRE - A SERVICE OF ITO CALGARY, ALBERTA--Cancoil Integr ated Services Inc. and its subsidiary in the U.S., Technicoil Integrated Services Inc., are pleased to announce that they have entered into a ...
03/27/2001	2,092,200	$38.000	(2.489%)	Factiva	WESTERN CONSORTIUM, RUSSIAN INSTITUTION NEGOTIATE CONTRACT ON RAISING SUBMARINE. ST. PETERSBURG, March 27 (Interfax-Northwest) - Officials of the international consortium th at intends to raise the Russian nuclear-powered submarine Kursk and of the Rubin design bur o will discuss the conditions of the contract for the ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
03/28/2001	2,857,600	$36.790	(3.184%)	Factiva	Equipment for interpreting Ateshgyakh seismic data came to Baku. The British-US Landmark, the sub-division of Halliburton, has delivered the equipment for in terpreting the three-dimensional seismic findings from Ateshgyakh-Yanan Tava-Hugan Deniz to Baku. ...
03/28/2001	2,857,600	$36.790	(3.184%)	Factiva	Moody's rates bonds for Halliburton Dresser deal Odyssey Investment Partners - First Reserve Corp. - Halliburton Co. - Dresser Equipment Grou p - Dresser Inc. - Moody's Investor Service Moody's Investor Service said Tuesday that it ha d assigned a B2 rating for Dresser Inc.'s proposed $250 ...
03/28/2001	2,857,600	$36.790	(3.184%)	Factiva	Malampaya Topsides Installed in the South China Sea; Largest Integrated Deck In Asia Paci HOUSTON, March 28 /PRNewswire/ -- Kellogg Brown & Root (KBR), a business unit of Halliburton Company (NYSE: HAL), announced today that it has successfully installed the Malampaya topsi des. The topside facility was set on its concrete base ...
03/28/2001	2,857,600	$36.790	(3.184%)	Factiva	Kellogg Brown & Root Installs Gas Platform In Philippines SINGAPORE -(Dow Jones)- Kellogg Brown & Root last week installed a topsides platform for She ll Philippines Exploration B.V.'s Malampaya gas fields, offshore Palawan, the Halliburton Co . (HAL) unit said Thursday. ...
03/28/2001	2,857,600	$36.790	(3.184%)	PR News	Landmark Graphics Releases pStaX and SCAN
03/28/2001	2,857,600	$36.790	(3.184%)	PR News	Malampaya Topsides Installed in the South China Sea; Largest Integrated Deck In Asia Pacific
03/29/2001	3,030,200	$35.130	(4.512%)	Factiva	Baker Hughes Appoints David Emerson Vice President Strategy andBusiness Development HOUSTON--(BUSINESS WIRE)--March 29, 2001--Baker Hughes Incorporated (NYSE:BHI)(PCX:BHI)(EBS: BHI) announced today that David E. Emerson, 46, has been appointed vice president of strateg y and business development. ...
03/29/2001	3,030,200	$35.130	(4.512%)	Factiva	Rolls-Royce signs a US$84mil contract with Halliburton. The English Rolls-Royce chose Brazil as one of its five most important markets. The company recently inaugurated an office in Rio de Janeiro which will concentrate its activities in So uth America. Rolls-Royce signed a US$84mil contract with ...
03/30/2001	3,686,300	$36.750	4.611%	Factiva	Smitexpects Kursk salvage contract soon. AMSTERDAM, March 30 (Reuters) - Dutch shipping group Smit Internationale NV said on Friday i t expected to win a multi-million dollar order with consortium partners soon to salvage Russ ia's Kursk nuclear submarine from the Arctic seabed. ...
03/30/2001	3,686,300	$36.750	4.611%	Factiva	Houston NIRI Chapter to Present Investors' Expectations of Corporate Web sites HOUSTON--(BUSINESS WIRE)--March 30, 2001--Jay Kraker will discuss institutional investors' e xpectations of corporate Web sites at the National Investor Relations Institute-Houston lunc heon meeting on April 17 at Brennan's restaurant in ...
03/30/2001	3,686,300	$36.750	4.611%	Factiva	Rolls-Royce invests in customer service. The English Rolls-Royce is to strengthen activities in Rio de Janeiro mainly in the energy a nd navy industry sectors. The company will count on six Brazilian engineers to provide custo

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					mers services in the energy generating area from gas ...
03/31/2001				Factiva	'Big Head' boosts deepwater accuracy. Halliburton SubSea upgraded its acoustic positioning system to a Sonardyne Long and Ultra Sh ort BaseLine (LUSBL) system in March 2001. LUSBL replaces Simrad HPR 310 on advanced constru ction support vessels. The 'big head' transceiver of the ...
03/31/2001				Factiva	Keppel Fels subsidiary wins Caratinga FPSO. The $US75m Halliburton Productos marine conversion contract was won by Fels Setel of Brazil in March 2001. The contract is to convert the Petrobras 48 tanker into a floating production , storage and offloading facility (FPSO). The facility ...
04/01/2001				Factiva	IN DEEP WATER. (Royal Navy and nuclear waste disposal) (Brief Article) What does a government institution do when it can no longer effectively deal with its duties ? It sells them off. In 1985, the management of Plymouth's naval dockyard was passed from th e MoD to Devonport Management (DML), a subsidiary of ...
04/01/2001				Factiva	Permian Basin operator realizes over $800,000 in savings usingPermSeal/Foam Cement Squeez Texas - GP-II Energy, in the Permian Basin, was challenged by well conditions causing loss o f drilling tools and the inability to start a horizontal entry. Due to loss of drilling asse mblies in the first two attempts to make the radial ...
04/01/2001				Factiva	9 BCF field development opportunity identified by Sigma processusing AVM technology Texas - Prize Operating Company purchased a Granite Wash field in Roberts County, TX, and pl anned for infield gas development. Unfortunately, the first four well completions resulted i n less than satisfactory production. The operator, faced ...
04/01/2001				Factiva	Halliburton wins ROV, pipelay support contract from Allseas. (Allseas Marine Contractors) (Halliburton Subsea says it has been awarded a contract by Allseas Marine Contractors S.A. fo r ROV and survey deepwater pipelay support services in the North Sea and Mediterranean. ...
04/01/2001				Factiva	Company Profile For - Halliburton AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name Hal liburton AS 5. Address PB. 200 Forus 6. Postal Code 4065 ...
04/01/2001				Factiva	Stena Concordia to convert to FPSO. (Brief Article) Keppel FELS Brazilian subsidiary FELS Setal SA signed a letter of intent with Halliburton Pr oductos Ltd. for the marine conversion of tanker Stena Concordia into a Floating Production Storage and Offloading facility (FPSO). FELS Setal will ...
04/01/2001				Factiva	What's Happening in production Impressive production topsides Kellogg Brown & Root (KBR), a business unit of Halliburton, c ompleted construction of the Malampaya topsides, a gas-processing facility to be operated by Shell Philippines Exploration BV. The topside ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	NORWEGIAN NORTH SEA PIPELINE PROJECTS TOP THIS WEEK'S PIPELINENEWS. Norsk Hydro awarded Stolt Rockwater--a JV of a unit of Halliburton and Stolt Offshore--a $22 million contract to perform subsea tie-in work for the Vesterled pipeline project. Last yea r, Norsk Hydro chose European Marine Contractors for the ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	Cheney paid $2.4 mln by Halliburton in 2000. WASHINGTON, April 2 (Reuters) - Halliburton Co. said on Monday that it paid U.S. Vice Presid ent Dick Cheney more than $2 million last year before he left the company to pursue the vice presidency as George W. Bush's running mate. ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	MARINE - KURSK (Russia). Amsterdam, Mar 30 - Dutch shipping group Smit Internationale NV said today it expected to wi n a multi-million dollar order with consortium partners soon to salvage nuclear submarine Ku rsk from the Arctic seabed. "If the Kursk will be lifted ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	RUBIN DESIGN BUREAU, INTERNATIONAL CONSORTIUM BEGIN FINAL TALKSOVER LIFTING OF KURSK. The members of the Russian delegation at the talks over regarding the operation to recover t he sunken nuclear-powered submarine Kursk have differing opinions: some state that the contr act to raise the sub will be signed "within several days ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	Halliburton Paid Former Chan Cheney $1.45M Bonus In 2000 WASHINGTON -(Dow Jones)- Halliburton Co. (HAL) paid former Chairman and Chief Executive Rich ard Cheney, now the vice president of the United States, an $806,332 salary and $1.45 millio n bonus in 2000, according to the company's proxy ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	Halliburton Paid Former Chan Cheney $1.45M Bonus In 2000 ISSUER: HALLIBURTON CO. SYMBOL: HAL 09:36 ISSUER: HALLIBURTON CO. SYMBOL: HAL 09:40 FTBN SOU RCE: SEC DEF 14A ISSUER: HALLIBURTON CO. SYMBOL: HAL SEC RECEIVED: 04/02/2001 ...
04/02/2001	4,008,700	934.200	(6.939%)	Factiva	SMIT TO RECEIVE MULTIMILLION CONTRACT FOR LIFTING KURSK SUBMARINE. March 30, Smit Internationale NV (Netherlands) announced its plan to win the multimillion-do llar contract for raising the nuclear submarine Kursk. H. Buis, executive director of Smit I nternationale NV, announced, "If Kursk is raised I am ...
04/03/2001	5,114,000	932.410	(5.234%)	Factiva	Cheney Paid Over $2 Million. Halliburton said Monday that it paid US Vice President Dick Cheney more than $2 million last year before he left the company to pursue the vice presidency as George W. Bush's running m ate. ...
04/03/2001	5,114,000	932.410	(5.234%)	Factiva	Halliburton Co. Paid Cheney More in 2000 Than in Previous Year DALLAS -- Halliburton Co. last year paid its former chairman and chief executive, Dick Chene y, a salary of $806,332 and a prorated bonus of $1.45 million before he left to run for vice president on the Republican ticket -- considerably more ...
04/03/2001	5,114,000	932.410	(5.234%)	Factiva	Nation IN BRIEF / WASHINGTON, D.C. Firm Paid Cheney $2.4 Million in 2000 Halliburton Co. said it paid Vice President Dick Cheney $2.4-million last year before he lef t to pursue the vice presidency as George W. Bush's running mate. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/04/2001	4,892,300	$32.890	1.481%	Factiva	HALLIBURTON REMOVES YME EQUIPMENT Statoil has chosen Halliburton Subsea to remove all subsea facilities on its Yme field in th e southern North Sea. The deal, which is signed as part of a frame agreement concluded last year, is valued at NKr 17.5m (US $2m) and includes ...
04/04/2001	4,892,300	$32.890	1.481%	Factiva	IN BRIEF... *Intervention conversion for seismic ship Halliburton Subsea in Aberdeen has agreed to charter a former seismic ship and convert it into a deepwater construction and intervention vessel. ...
04/04/2001	4,892,300	$32.890	1.481%	Factiva	RUBIN DESIGN BUREAU, INTERNATIONAL CONSORTIUM BEGIN FINAL TALKSOVER LIFTING OF KURSK. The members of the Russian delegation at the talks over regarding the operation to recover the sunken nuclear-powered submarine Kursk have differing opinions: some state that the contract to raise the sub will be signed "within several days ...
04/04/2001	4,892,300	$32.890	1.481%	Factiva	SMIT TO RECEIVE MULTIMILLION CONTRACT FOR LIFTING KURSK SUBMARINE March 30, Smit Internationale NV (Netherlands) announced its plan to win the multimillion-dollar contract for raising the nuclear submarine Kursk. M. Suis, executive director of Smit Internationale NV, announced, "If Kursk is raised I am ...
04/05/2001	3,789,800	$34.250	4.135%	Factiva	Maritime - Kursk. In early April 2001, Smit International is confident it will win the contract to raise the Russian submarine, "Kursk". The submarine lies at the bottom of the Barents Sea, where it rested following an explosion in August 2000. The contract ...
04/05/2001	3,789,800	$34.250	4.135%	Factiva	PEOPLE - RICE: RICE - OIL - FRIED RICE? The Bush WH is facing "renewed questions over Chevron's decision to name an oil tanker" after NSA Condoleezza Rice. The Condoleezza Rice is "part of the international tanker fleet of the San Francisco-based multinational oil firm, named ...
04/05/2001	3,789,800	$34.250	4.135%	Factiva	Del. Dismisses Asbestos Claim - Employers Re Acquires Reliance's CyberComp. Highlands Insurance Group is not on the hook to cover more than 30,000 third-party asbestos claims made against Halliburton company, the Delaware Chancery Court has ruled. ...
04/06/2001	3,240,000	$34.180	(0.204%)	Factiva	Gulf indies cast deep for big fish. HALLIBURTON High prices give confidence boost as US companies target large haul KERR McGEE is leading a group of US independents who, fuelled by recent successes with the drillbit and forecasts of continued robust commodities prices, are ...
04/06/2001	3,240,000	$34.180	(0.204%)	Factiva	Statoil farewell to Yme. HALLIBURTON Subsea in Norway has been awarded a contract with Statoil for removal of the Yme field subsea infrastructure. The small Yme oilfield, some 100 kilometres off the Norwegian town of Egersund, will cease production this spring and ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/06/2001	3,240,000	$34.180	(0.204%)	Factiva	Halliburton Wins Statoil Work. Halliburton Subsea, a subsidiary of Halliburton's energy services group, announced Thursday that it has been awarded a work order from Norwegian state oil company Statoil to repair sub sea connectors in the Asgard field. ...
04/06/2001	3,240,000	$34.180	(0.204%)	Factiva	National-Oilwell, Inc. Acquires Wheatley Gaso Date Announced: 20000906 National-Oilwell, Inc. announced that it has acquired the Wheatley Gaso and Omega pump product lines from Halliburton Company for approximately $13 million cas h.
04/07/2001	.	.	.	Factiva	Subsea world gives artist a new perspective. Subsea world gives artist a new perspective Paul Brain of Halliburton's ROV and survey divis ion with artist Roxane Fermar at the Maritime Museum. Kevin Smallie Ian Forsyth ABERDEEN'S Ma ritime Museum will showcase the work of artist Roxane ...
04/07/2001	.	.	.	Factiva	Big Oil's White House Pipelines The weather was wet and blustery in Washington last month, but Archie Dunham, the chairman a nd chief executive officer of Conoco, wasn't about to let a spring squall keep him from a me eting with Vice President Dick Cheney. Dunham looked ...
04/09/2001	2,201,100	$35.390	3.540%		
04/10/2001	3,249,000	$36.400	2.854%	Factiva	DSND Sondenfjeldske wins 12-month charter contract from Halliburton The Norwegian offshore contractor DSND Sondenfjeldske has received a 12-month charter for it s pipe laying vessel Kommandor 3000 from Halliburton. ...
04/10/2001	3,249,000	$36.400	2.854%	Factiva	CONTRACTS: Norway Halliburton AS has received a contract award for a hydrocarbon blanket gas system from the s tate-owned Norwegian oil company Den norske stats oljeselskap AS (Statoil). The contract has been valued at NOK15m. Statoil also awarded a NOK7m ...
04/10/2001	3,249,000	$36.400	2.854%	Factiva	Halliburton to post $0.69/shr gain on Dresser sale. DALLAS, April 10 (Reuters) - Halliburton Co., the world's biggest oilfield services company, said on Tuesday it had completed the previously announced sale of its Dresser Equipment Gro up unit and said it would book an after-tax gain of 69 ...
04/10/2001	3,249,000	$36.400	2.854%	Factiva	First Reserve, Others Close $1.3B Dresser Inc. Buy DALLAS -(Dow Jones)- Halliburton Co. (HAL) closed the sale of its Dresser Equipment Group un it to First Reserve Corp. and Odyssey Investment Partners LLC for $1.3 billion cash. ...
04/10/2001	3,249,000	$36.400	2.854%	Factiva	First Reserve Corporation, Odyssey Investment Partners LLC, andManagement Complete Purcha DALLAS, April 10 /PRNewswire/ -- Dresser, Inc. Chairman of the Board, William E. Macaulay, a nnounced today that private equity firms First Reserve Corporation and Odyssey Investment Pa rtners, joining with certain members of Dresser, Inc.'s ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/10/2001	3,249,000	$36.400	2.854%	Factiva	Halliburton Completes Sale of Dresser Equipment Group DALLAS, April 10 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that it has completed the sale of Dresser Equipment Group (DEG), now called "Dresser, Inc.", to an investor group consisting primarily of First Reserve ...
04/10/2001	3,249,000	$36.400	2.854%	PR News	Landmark Acquires Unique E&P Information Portal Software From Exprodat Ltd
04/10/2001	3,249,000	$36.400	2.854%	PR News	First Reserve Corporation, Odyssey Investment Partners LLC, and Management Complete Purchase of Dresser, Inc. From Halliburton Company
04/10/2001	3,249,000	$36.400	2.854%	PR News	Halliburton Completes Sale of Dresser Equipment Group
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Business Brief -- Halliburton Co.: Sale of Dresser Equipment ToEquity Group Is Closed Halliburton Co. said it completed the sale of its Dresser Equipment Group unit to private-equity firms First Reserve Corp., Odyssey Investment Partners LLC and some Dresser executives, for $1.3 billion in cash and $250 million in assumed ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	CHINA FOOD & BEVERAGE CO - HALLIBURTON CO - China Food Investsin Halliburton Licensee, En CHINA FOOD & BEVERAGE CO - HALLIBURTON CO - China Food Invests in Halliburton Licensee, Enters China Energy - Distribution Industry. New York, New York, Apr 11, 2001 (Market News Publishing via CONTEX) - China Food and Beverage Company ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Halliburton Unit Grants $23.9M In Software To 12 Schools DALLAS -(Dow Jones)- Halliburton Corp.'s (HAL) Landmark Graphics Corp. unit granted a total of $23.9 million in integrated exploration and production software and support services to 12 universities. ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	CHIF Invests in Halliburton Licensee, Enters China Energy Distribution Industry NEW YORK, April 11 /PRNewswire/ -- China Food and Beverage Company (OTC Bulletin Board: CHIF) announced today it has entered into an investment agreement with Tritradex Inc. (http://www.tritradex.com), US based parent corporation of ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Landmark Graphics Awards $23.9 Million in Integrated E&P Software and Services To Univers - Twelve Universities Benefit From the Company's Grant Program - DALLAS, April 11 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced that it has granted a total of ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Stock market capitalisation of Technip, rivals - table. The following is a table showing the stock market capitalisation of French oil engineering and construction group Technip and its main rivals (in billions of US dollars). ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	AWARDS UPDATE * Halliburton has been awarded the NKr 250m (US $28m) contract to repair the Aasgard pipeline welds on the Statoil operated Norwegian Sea field. Statoil decided to strengthen the weak p

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ointe in 72 welds at the field when it discovered the ...
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Halliburton Company Completes Sale of Dresser Equipment Group Date Announced: 20010410 Halliburton Company announced that it has completed the sale of its Dresser Equipment Group to an investor group consisting primarily of First Reserve Corporation and Odyssey Investment Partners, LLC.
04/11/2001	2,600,200	$35.180	(3.352%)	Factiva	Halliburton Company's Landmark Unit to Acquire Exprodat Ltd. Date Announced: 20010410 Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced the acquisition of software technology from Exprodat Ltd., providing Web-browser information access to users of ...
04/11/2001	2,600,200	$35.180	(3.352%)	PR News	Landmark Graphics Awards $23.9 Million in Integrated E&P Software and Services To Universiti es
04/11/2001	2,600,200	$35.180	(3.352%)	RBC Capital Market	HAL:N-;HALLIBURTON CONCLUDES SALE OF DRESSER EQUIPMENT GROUP
04/12/2001	2,521,900	$35.040	(0.398%)	Factiva	SDS Corporation Limited (SDS.AX) Halliburtin Fluid Hamemr Order. The company wishes to advise that it has shipped a second order for $A800,000 from Halliburton for Fluid Hammer equipment. A recent visit to Venezuela by Halliburton and company personnel has ...
04/12/2001	2,521,900	$35.040	(0.398%)	Factiva	Shift for the Seiranger. HALLIBURTON Subsea has agreed to charter the vessel MV Seiranger from Bergen-based E Forland Shipowner. Seiranger is currently undergoing a major conversion from a seismic vessel to a deep-water intervention support and construction ...
04/12/2001	2,521,900	$35.040	(0.398%)	Factiva	In Nigeria. Nigeria LNG has awarded an engineering design contract to expand its Bonny Island complex's LNG capacity by 8 million to 16.85 million tons/yr by 2005. So far NLNG hasn't reduced gas flaring in the Niger Delta but it is now making pledges ...
04/12/2001	2,521,900	$35.040	(0.398%)	Factiva	In Norway. Norsk Hydro is forging ahead with installation of the 50 km subsea Vesterled gas pipeline in the North Sea, due for completion this October, which should make it easier to ship Norwegian gas to Scotland and Germany. Potentially it might ...
04/12/2001	2,521,900	$35.040	(0.398%)	Factiva	Halliburton to Book Gain on Sale. Halliburton said late Tuesday that it has completed the sale of its Dresser Equipment Group unit and that it will book an after-tax gain of 69¢/share on the deal in the second quarter. ...
04/14/2001	.	.	.	Factiva	CHENEY INCOME AT $36 MILLION; BUSH: $884,880 Pres Bush and wife, Laura, release their federal income tax returns for 2000, showing they received $884,880 in income and paid $240,342, or 26.9 percent, in taxes; Vice Pres Dick Chen

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ey and wife, Lynne, report income of $36,086,635, on ...
04/16/2001	.	.	.	Factiva	Newscast: Tax figures released for Bush and Cheney HODA KOTBE, anchor: Tax information has been released for President Bush and Vice President Cheney. The president paid more than $260,000 tax on an adjusted gross income of almost $895,000. Vice President Cheney paid more than $1¢ million ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	News-NIGERIA. NIGERIA - The Nigeria LNG consortium is pressing ahead with a major expansion, increasing capacity by 8 million tons/yr to 16.9 million tons/yr by mid-2005. The venture has awarded an engineering design contract to a grouping of France's ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	Shaw Industries Ltd Cl A - Shaw and Halliburton acquire thermotite A/S Mr. Brian Conroy reports Shaw Industries and Halliburton Company's joint venture entity Bredero-Shaw, has completed the acquisition of Thermotite A/S, a Norwegian entity specialising in custom-designed flow assurance insulation systems for ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	BORNEO BULLETIN - Brunei - It was indeed a miracle. Azlan Zakaria of Halliburton Energy Services received the call he has been anxiously waiting for on the 15th of March. The eggs that the Halliburton team of volunteers reburied have hatched. ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	Cheneys Had Taxable Income Last Year Of $36.1 Million, LargelyFrom Oil Stock WASHINGTON -- Vice President Dick Cheney struck it rich in the oil business last year, but it is unclear, given the stock price of Halliburton & Co., how much his gifts to charity will be worth. ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	Shaw Indus/Halliburton Co. Venture Closes Thermotite Buy TORONTO -(Dow Jones)- Bredero Shaw, a joint venture entity owned by Shaw Industries Ltd. (SHL.A) and Halliburton Co. (HAL), has completed the acquisition of Thermotite A/S. ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	DUKE ENGINEERING, SANDIA SIGN ON TO HELP NPT'S RUSSIAN SPENT FUEL STORAGE VENTURE The Non-Proliferation Trust (NPT)--the venture that hopes to build a storage facility for foreign spent fuel in Russia--has signed up as partners Duke Engineering & Services, Sandia National Laboratories, Brown & Root Services Co ...
04/16/2001	2,235,800	$36.300	3.596%	Factiva	Shaw Industries Ltd. and Halliburton Company announces completion of purchase of Thermotin Company (NYSE: HAL) announced that their joint venture entity, Bredero-Shaw, has completed the acquisition of Thermotite A/S, a Norwegian entity ... TORONTO/DALLAS, TX, April 16 /CNW/ - Shaw Industries Ltd. (TSE: SHL.A, SHL.B) and Halliburto
04/17/2001	2,564,000	$37.130	2.287%	Factiva	Shaw, Halliburton complete purchase of Thermotite TORONTO - Shaw Industries Ltd. and Halliburton Company announced that their joint venture entity, Bredero-Shaw, has completed the acquisition of Thermotite A/S, a Norwegian entity specialising in insulation systems for undersea and ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/17/2001	2,564,000	$37.130	2.287%	Factiva	BP places Hoton field contracts. CONTRACTS worth $30m ($42.6m) have been awarded by BP for development of its Hoton field in the North Sea. Winners in the deal are SLP of Lowestoft, which will fabricate the 550-tonne platform; Heerema Marine Contractors, which will carry ...
04/17/2001	2,564,000	$37.130	2.287%	Factiva	Landmark Graphics Launches Release of a Geostatistics Module for Its Stratamodel Product Fully Integrated Module Addresses the Needs of Most Asset Team Geoscientists DALLAS, April 1 7 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced the release of a ...
04/17/2001	2,564,000	$37.130	2.287%	Factiva	Halliburton 2001 First Quarter Teleconference DALLAS, April 17 /PRNewswire/ -- Halliburton Company (NYSE: HAL) plans to release its 2001 f irst quarter financial results Wednesday afternoon, April 25, 2001, at 3:00 PM Dallas time (Central Time). ...
04/17/2001	2,564,000	$37.130	2.287%	PR News	Landmark Graphics Launches Release of a Geostatistics Module for Its Stratamodel Product
04/17/2001	2,564,000	$37.130	2.287%	PR News	Halliburton 2001 First Quarter Teleconference
04/18/2001	3,500,200	$36.130	(2.693%)	Factiva	The Arts - Theatre - It'll be all fright on the night. In its latest show, Frantic Assembly takes the horror film and runs with it, writes Rachel H alliburton When Frantic Assembly erupted into the public eye in the late Nineties, it was ha iled for channelling the electric current of youth ...
04/18/2001	3,500,200	$36.130	(2.693%)	Factiva	ECONOMY'S DEMON: ENERGY PRICES This may not be the best time to have a president from Texas and a vice president from oil-s ervices giant Halliburton. Economists, observing fairly strong consumer demand during the la st few months, have focused their forecasts of a ...
04/18/2001	3,500,200	$36.130	(2.693%)	Factiva	Woodside says NWS participants sign contract for LNG expansion. SYDNEY, April 19, AAP - Woodside Petroleum Ltd's Woodside Energy, said that the North West S helf Venture participants have signed a contract for engineering and construction management associated with the expansion of its LNG operations on ...
04/19/2001	2,672,400	$35.230	(2.491%)	Factiva	Analysis: White House plans to loosen oil sanctions against Iraq, Iran and Libya; possibl CHRIS MATTHEWS, host: Well, joining us right now for the political buzz, from New York, Time magazine's Tamala Edwards. In Phoenix, Arizona, we've got Tom Squitieri, who's on the road. ...
04/19/2001	2,672,400	$35.230	(2.491%)	Factiva	Woodside awards A$280 million contract to Kellog joint venture. Woodside Energy, on Behalf of the North West Shelf Venture Participants, has signed a contra ct for Engineering, Procurement and Construction management associated with the expansion of its LNG operations on the Burrup Peninsula, Western ...
04/20/2001	3,761,100	$37.030	5.109%	Factiva	Contracts signal NW Shelf roll-out. In April 2001, contracts have been signed for the $A1.5bn expansion of Australia's North Wes t Shelf gas project. The joint venture partners have agreed to a fourth liquefied natural ga

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					a production train with a capacity of 4.2 million tonnes ...
04/20/2001	3,761,100	$37.030	5.109%	Factiva	Alice Springs to Darwin Rail Project Reaches Financial Close; Australian Railroad Group t GREENWICH, Conn., April 20 /PRNewswire Interactive News Release/ -- Genesee & Wyoming Inc. (GWI) (Nasdaq: GWWR) announced today that the Asia Pacific Transport Consortium (APTC) has co mpleted the arrangement of debt and equity capital to ...
04/21/2001	.	.	.	Factiva	US$100mil in two FPSO. The construction of two FPSO for Barracurda Field - Campos Basin (Rio de Janeiro) - will dem and US$100mil investment and create 1,000 jobs. The shipbuilding company Maua-Jurong will con struct both ships, hired by Halliburton, Brown & Root ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	Woodside awards $280m contract amid record quarter figures. In April 2001, the expansion of Australia's North West Shelf liquefied natural gas (LNG) res ource is being planned. A $A280m contract has been signed by Woodside Energy and the Kellogg Joint Venture for the development, which will see ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	OneSteel plan is on track. Australian company, OneSteel, has won the rights to provide steel for a rail link between Da rwin and Alice Springs. OneSteel's involvement with the 1,420-kilometre rail link was approv ed in late April 2001 by the Asia Pacific Transport ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	Energy High Yield Deal Cruises Through Choppy Market.(Dresser Equipment Group)(Brief Arti Dresser Equipment Group recently raised $300 million in a high-yield bond offering despite t ough market conditions. "People like the energy sector right now, Dresser's got an outstandi ng management team and the company has outstanding ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	OneSteel on the rail to Darwin. OneSteel has won the right to supply steel for the Alice Springs to Darwin railway. OneSteel , a spinoff from BHP, will spend $A1 million on its Whyalla plant and create 40 new jobs to handle the contract. Approval was given for the project ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	A Taxing Dilemma When it was revealed that Dick Cheney would be running for vice president on the GOP ticket with George W. Bush, Cheney was pummeled with questions about potential conflicts of interes t that might result from his holdings in Halliburton ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	Precision Drilling, Halliburton Energy Settle Suit CALGARY -(Dow Jones)- Precision Drilling Corp. (PDS) and Halliburton Energy Services Inc. ha ve settled the lawsuit between the companies. In a news release, Precision Drilling said ter ms of settlement are confidential. ...
04/23/2001	2,457,000	$38.050	2.755%	Factiva	A taxing dilemma Unlike Bush Cabinet officials, a Bill Clinton holdover who is IRS commissioner refuses to di vest large holdings in the company he used to run which does big business with the IRS. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/23/2001	2,457,000	$38.050	2.755%	Factiva	PREVIEW Telecom, Media, Energy Giants' Earnings to Be Weighed The U.S. financial community will be scrutinizing earnings this week from telecommunications bellwethers AT&T Corp. and WorldCom Inc. as well as media giant Viacom Inc. and energy companies Halliburton Co. and Chevron Corp. They also will ...
04/24/2001	2,373,300	$37.560	(1.288%)	Factiva	PEOPLE - CHENEY: FROM THE BOTTOM OF HIS HEART INSTITUTE VP Cheney "will show his appreciation for 23 years of heart treatment by donating" $3.12M to the George Washington Medical Faculty Assoc. (MFA) to "create the Richard B. Cheney Cardiovascular Institute." The inst. will "advance education ...
04/25/2001	1,559,600	$38.620	2.822%	CIBC World Markets	HAL: 1Q01 EPS In Line; Broadening Recovery Under Way
04/25/2001	1,558,600	$38.620	2.822%	Factiva	IN BRIEF • A 35% share of Italy's Eni SpA is being offered for sale following the Italian Treasury's decision to sell all its oil sector holdings. The Treasury did not specify any timetable for the sale or list any of its oil sector holdings. ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	TABLE-Halliburton Q1 net shr $0.25 vs $0.59. DALLAS, April 25 (Reuters) - Thomson Financial/First Call estimate was $0.22/shr Halliburton Co. Consolidated Statements of Income (Unaudited) Three Months Ended March 31 2001 ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	CORRECTED-Halliburton quarterly earnings more than triple. In HOUSTON story, please read in first paragraph ...more than trebled... instead of ...more than doubled... In second paragraph, please read ...earnings rose to $86 million, or 20 ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	Halliburton sees 2001 EPS at or above $1.30. HOUSTON, April 25 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services company, said on Wednesday it expected earnings per share "at or above" $1.30 for 2001. ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	UPDATE 2-Halliburton earnings more than triple. HOUSTON, April 25 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services company, said on Wednesday its first-quarter earnings from continuing operations more than tripled a e its customers stepped up their drilling activity in ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	Halliburton 1Q Net 25c/Share Halliburton Co. - Dallas 1st Quar Dec. 31: 2001 2000 Revenues $3,144,000,000 $2,859,000,000 Inc cont op $6,000,000 $7,000,000 Inc dis op $2,000,000 ...
04/25/2001	1,558,600	$38.620	2.822%	Factiva	HAM? DALLAS, April 25 /PRNewswire/ -- Halliburton Company (NYSE: HAL) reported today that 2001 first quarter net income was $109 million ($0.25 per diluted share). Net income from continuing operations was $86 million an increase of 219 percent ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/25/2001	1,558,600	$38.620	2.822%	PR News	Halliburton Company First Quarter Earnings Increase 219 Percent - Energy Services Group Operating Income Quadruples
04/26/2001	7,227,700	$42.130	9.089%	Deutsche Bank Rese	Halliburton Company (HAL) - Web Version - Q1 Results Fall Short/ Lowering Street High 2001 Ests, but Maintaining 2002 Ests, Target Price and Strong Buy Rating Because of Rapidly Improv
04/26/2001	7,227,700	$42.130	9.089%	Deutsche Bank Rese	Q1 Results Fall Short, Lowering Street High 2001 Ests, but Maintaining 2002 Ests, Target Price and Strong Buy Rating Because Of Rapidly Improving Fundamentals
04/26/2001	7,227,700	$42.130	9.089%	Factiva	Oil services shares surge on rosy outlook. NEW YORK, April 26 (Reuters) - Shares in oil drilling and equipment companies surged on Thursday after companies like the world's No. 1 oilfield services company Halliburton Co. said 2001 earnings will be well above prior expectations. ...
04/26/2001	7,227,700	$42.130	9.089%	Factiva	RESEARCH ALERT-Prudential ups Halliburton. NEW YORK, April 26 (Reuters) - Prudential Securities on Thursday said it raised its investment recommendation on oilfield-service giant Halliburton Co. to strong buy from accumulate on increased earnings forecasts. ...
04/26/2001	7,227,700	$42.130	9.089%	Factiva	Halliburton Results Fall Short of Estimates DALLAS -- Halliburton Co. said profit from continuing operations in the first quarter more than tripled due to greater North American drilling for natural gas and oil, but its results fell short of Wall Street expectations. ...
04/26/2001	7,227,700	$42.130	9.089%	Factiva	Net Soars for Dallas Oilfield Services Company, Other Oil Firms Halliburton Co. reported Wednesday that first-quarter income from continued operations more than tripled as its customers increased drilling activity to capitalize on strong oil and natural gas prices. ...
04/26/2001	7,227,700	$42.130	9.089%	Factiva	Dallas-Based Oilfield Services Firm Reports Increase in Income Halliburton Co. reported Wednesday that first-quarter income from continued operations more than tripled as its customers increased drilling activity to capitalize on strong oil and natural gas prices. ...
04/26/2001	7,227,700	$42.130	9.089%	Factiva	Business Briefs Halliburton's profit more than triples DALLAS - Halliburton Co., the largest oil-services company, said first-quarter profit more than tripled as oil and natural-gas companies spent more to find and produce energy reserves. ...
04/26/2001	7,227,700	$42.130	9.089%	RBC Capital Market	HAL:N-:HALLIBURTON REPORTS STRONG FIRST QUARTER

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/27/2001	3,933,200	$42.110	(0.0476)	A.G. Edwards & Son	Halliburton - 1Q2001 EPS BELOW EXPECTATIONS, BUT OUTLOOK IMPROVING - NORTH AMERICAN DRILLING MARKET REMAINS STRONG AND BROADER RECOVERY EXPECTED
04/27/2001	3,933,200	$42.110	(0.0476)	Factiva	RTRS central to Halliburton. WHAT is it about the oil and gas industry that it generates so many acronyms and completely baffling initials? The latest one we've come across is RTRS. It's very important, you know! ...
04/27/2001	3,933,200	$42.110	(0.0476)	Factiva	Oil Field Services Firms Turn Out Heady Profits. The US drilling boom, along with an uptick in upstream activity in international markets, helped boost first-quarter earnings for oilfield service companies. ...
04/27/2001	3,933,200	$42.110	(0.0476)	Factiva	Howlem wins $384m rail deal. A consortium that includes John Howlem has won a PFI contract to build a $384m rail link from Alice Springs to Darwin in Australia. The build-own-operate-transfer contract will involve the company taking an equity stake. Other members of ...
04/27/2001	3,933,200	$42.110	(0.0476)	Factiva	HALLIBURTON IS HOT (photo caption only) More Like This
04/27/2001	3,933,200	$42.110	(0.0476)	Factiva	C2001/127/08 - Non-opposition to a notified concentration (CaseCOMP/M.1976 - Shell/Hallib Publication reference: Official Journal C 127 , 27/04/2001 P. 0010 - 0010 CELEX number 2: C0 1/127/08 Author: European Commission Form: Information
04/30/2001	2,793,800	$43.210	2.6126	ABN AMRO Global Re	Halliburton Company: Upgrading Rating to Add from Hold
04/30/2001	2,793,800	$43.210	2.6126	Deutsche Bank Russ	Surveying the Prospects - Oilfield Services Weekly Ruminations
04/30/2001	2,793,800	$43.210	2.6126	Factiva	Contract for Kursk lifting to be signed in May: official MOSCOW, April 30 (AFP) - Russian and western officials are to sign a contract for a major operation to lift the stricken Russian nuclear submarine Kursk next month, the head of the Rubin construction company, Igor Spassky, announced Monday ...
04/30/2001	2,793,800	$43.210	2.6126	Factiva	Halliburton to buy 3-D imager Magic Earth. DALLAS, April 30 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, said on Monday it will acquire for $100 million in stock Magic Earth Inc., a maker of 3-D imaging technology used in the oil and gas exploration ...
04/30/2001	2,793,800	$43.210	2.6126	Factiva	UPDATE 1-Halliburton to buy Magic Earth. NEW YORK, April 30 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, on Monday said its Landmark Graphics Corp. subsidiary agreed to acquire Magic Earth Inc.,

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					a maker of 3-D imaging technology used in oil and gas ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Contract on" Kursk" operation to be signed in May. A contract for the planned large-scale operation to lift the Kursk nuclear submarine is expe cted to be signed in May. Chief of the Central Naval design Bureau "Rubin" academician Igor Spassky told Iter-Tass on Monday. ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Halliburton In Definitive Pact To Buy Magic Earth DALLAS -(Dow Jones)- Halliburton Co. (HAL) signed a definitive agreement to acquire 3D data mapping company Magic Earth Inc. in a stock-for-stock deal valued at about $100 million. ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Halliburton Announces Definitive Agreement to Acquire Magic Earth Halliburton Announces Definitive Agreement to Acquire Magic Earth - Strategic Move Brings To gether Landmark Graphic's Integrated Suite of E&P Software Solutions With Magic Earth's Inno vative 3-D Visual Interpretation And ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	/C O R R E C T I O N -- Halliburton Company/ In Halliburton (NYSE: HAL) Announces Definitive Agreement to Acquire Magic Earth, moved earl ier today, we are advised by the company that three paragraphs were inadvertently omitted. P aragraphs three, eight and nine are new. Complete ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Halliburton Company and Intelligent Inspection Corporation SignAgreement to Deliver Robot Now Technology to Significantly Reduce the Cost of Operations for Drilling And Production DA LLAS, April 30 /PRNewswire/ -- Halliburton Company (NYSE: HAL) and Intelligent Inspection Co rporation (IIC) have signed a definitive agreement for ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Lone Star Technologies, Inc. Announces Finned Tubing Expansion;Expandable Casing Demonstr DALLAS, April 30 /PRNewswire/ -- Lone Star Technologies, Inc. (NYSE: LSS) announced the grou nd breaking for the expansion of its Quebec, Canada finned tubing facilities. The expansion will double the capacity to meet growing demand in ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Halliburton Sees Deepwater Forcing Closer Ties With Oil Firms. Oil service giant Halliburton is pressing major oil companies and leading independent produc ers to collaborate with it to jointly develop the costly and risky new technologies needed f or exploration and production in ultra-deep water ...
04/30/2001	2,793,800	$43.210	2.612%	Factiva	Halliburton Company to Buy 3-D Imager Magic Earth Date Announced 20010430 Halliburton Company announced that it will acquire for $100 million in stock Magic Earth Inc., a maker of 3-D imaging technology used in the oil and gas explor ation industry. Dallas-based Halliburton said its ...
04/30/2001	2,793,800	$43.210	2.612%	PR News	Halliburton Announces Definitive Agreement to Acquire Magic Earth
04/30/2001	2,793,800	$43.210	2.612%	PR News	/C O R R E C T I O N -- Halliburton Company/

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
04/30/2001	2,793,800	$43.219	2.612%	PR News	Halliburton Company and Intelligent Inspection Corporation Sign Agreement To Deliver Robotic Technology
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	An electrifying California adventure ANAHEIM, Calif. - A project superintendent tackled a new adventure after working with Disney land for a decade. Lynn Halliburton of Morrow-Meadows Corp., a Walnut, Calif.-based electric al contractor, helped manage the electrical ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	United States Halliburton Co. said it had agreed to buy Magic Earth Inc. of Houston for $100-million (U.S.) in stock. Magic Earth sells software that allows geologists to better interpret seismic re adings to find oil and gas reserves. Halliburton ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	DEAL FOR OIL SEARCH INNOVATOR Halliburton Co. oil services concern, agrees to buy Magic Earth Inc. company that specialize s in three-dimensional imaging of oil and gas deposits, for $100 million in stock
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Petrobras.(Brief Article) Petrobras is beginning development in three fields. Oceaneering International Inc., affiliat e Marine Production Systems announced the award of a letter of intent from Halliburton to su pply subsea umbilicals for the Barracuda and Caratinga ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	MRX-LWD does not see matrix and is lithology independent.(nuclear magnetic resonance tool Numar and Sperry-Sun Drilling Services or Halliburton Energy services have commercialized th e first logging-while-drilling (LWD) nuclear magnetic resonance tool, called MRIL-WD (TM). T his is a technology advance toward a non-radioactive ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Permian Basin operator realizes over $600,000 in savings usingPermSeal/foam cement squeez Texas - GP-II Energy, in the Permian Basin, was challenged by well conditions causing loss o f drilling tools and the inability to start a horizontal entry. Due to loss of drilling asse mblies in the first two attempts to make the radial ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	9 BCF field development opportunity identified by Sigma processusing AMN technology Texas - Prize Operating Company purchased a Granite Wash field in Roberts County, TX, and pl anned for infield gas development. Unfortunately, the first four well completions resulted i n less than satisfactory production. The operator, faced ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	GENESEE & WYOMING.(to operate railroad in Australia)(Brief Article) announced April 20 that the Asia Pacific Transport Consortium (APTC) has completed the arran gement of debt and equity capital to build, own, and operate a $650 million, 883-mile rail l ine from Alice Springs to Darwin in the Northern ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to Buy Magic Earth. Halliburton, the world's No. 1 oil field services company, said Monday that it will acquire Magic Earth, a maker of three-dimensional imaging technology used in oil and gas exploration

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					, for $100 million. ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to Buy Magic Earth DALLAS -- Halliburton Co. said it had agreed to buy Magic Earth Inc. of Houston for $100 mil lion in stock. Magic Earth sells software that allows geologists to better interpret seismic readings to find oil and gas reserves. Halliburton ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Company to Purchase Houston-Based 3-D Visualization Firm Halliburton has agreed to pay $100 million in stock for Magic Earth, a Houston-based 3-D vis ualization and data interpretation company that was formed slightly more than a year ago. ..
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to Buy Houston-Based Seismic Mapping Firm Halliburton Co. signed a definitive agreement to buy the seismic mapping company, Magic Eart h Inc., in a stock trade valued at about $100 million, the companies said Monday. ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to Appeal Court Ruling The Halliburton Company of Dallas announced that the Delaware Chancery Court issued an opini on recently in the pending litigation between the company and its Kellogg Brown & Root, Inc. subsidiary and Highlands Insurance Group Inc. The Court ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Cheney & Halliburton: Do Where the Oil Is.(economic relationship between vice president D PROBABLY THE MOST ENTERTAINING EXCHANGE in the vice-presidential debate last year occurred w hen Joe Lieberman, referring to the millions of dollars Dick Cheney had made as CEO of Halli burton Co., noted that Cheney was considerably "better ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton agrees to acquire Magic Earth Magic Earth Inc. - Halliburton Co. Dallas energy services firm Halliburton Co. said Monday i t had agreed to acquire Magic Earth Inc., a Houston developer of 3 D imaging technology for the oil and gas exploration industry, for $100 million ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to buy 3-D company Magic Earth for stock Oil services major Halliburton said Apr 30 it has agreed to acquire 3-D software technology company Magic Earth in a stock swap valued at $100-mil. "Magic Earth presents the industry w ith a technology breakthrough in visualizing and ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Deal for Oil Search Innovator The Halliburton Company, an oil services concern, agreed yesterday to buy Magic Earth Inc., a company that specialises in the three-dimensional imaging of oil and gas deposits, for $10 0 million in stock. ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	WellDynamics Names Management Team and Provides Update on Intelligent Completion Technole DALLAS, May 1 /PRNewswire/ -- In April 2000, Shell and Halliburton Company (NYSE: HAL) annou nced plans to establish a 50-50 joint venture, WellDynamics, to develop and commercialize in telligent completion technologies. Following the ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton Energy Services Introduces the Industry's First Magnetic Resonance Imaging Lo DALLAS, May 1 /PRNewswire/ -- Halliburton Energy Services, Inc., announces the global commer cialization of the oil and gas industry's first Magnetic Resonance Imaging Logging While Dri lling (MRIL-WD(TM)) tool. The tool is a joint ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Commissioning underway on Philippines' Malampaya platform. "Silent elegance" of floatover mating The largest integrated deck in the Asia/Pacific region was installed on the Malampaya field offshore The Philippines in mid-March in preparation f or onstream operations this summer. Kellogg Brown & Root ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Kellogg Brown & Root phenol technology selected for Shanghai. (Shanghai Gaoqiao Petrochemi Shanghai Gaoqiao Petrochemical Corp., a subsidiary of Sinopec, has selected Kellogg Brown & Root's phenol technology for a new 200-Ktpy phenol and acetone plant in Shanghai, China. Kel logg Brown & Root, a business unit of Halliburton Co ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Employee's actions exemplify Halliburton's commitment to safetyby alerting co-workers to Louisiana -- Around midnight on December 12, a cementer for Halliburton Energy Services was still awake on a rigsite in the Atchafalaya Basin near Franklin, Louisiana. Suddenly, he hea rd a loud boom and soon discovered a flash fire with ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton's Mirage(TM) Plug saves $600,000 in rig time with no intervention. (Brief Arti Australia -- On a drilling platform with very limited space, the completion design required a slickline-run concentric gas lift mandrel, plus a wireline retrievable sub-surface safety valve. The hydraulic set gun hanger system below the ...
05/01/2001	2,232,200	$42.460	(1.736%)	Factiva	Halliburton to purchase 3-D visualization company Halliburton has agreed to pay $100 million in stock for Magic Earth, a Houston-based 3-D vis ualization and data interpretation company that was formed slightly more than a year ago.
05/01/2001	2,232,200	$42.460	(1.736%)	PR News	WellDynamics Names Management Team and Provides Update on Intelligent Completion Technology
05/01/2001	2,232,200	$42.460	(1.736%)	PR News	Halliburton Energy Services Introduces the Industry's First Magnetic Resonance Imaging Logg ng While Drilling Tool
05/02/2001	4,331,900	$40.300	(5.087%)	Factiva	MARINE - KURSK (Russia). lift the stricken nuclear submarine Kursk. London, May 1 - A press report, dated Apr 30, states: Russian and western officials are to s ign a contract for a major operation to lift the stricken nuclear submarine Kursk next month , the head of the Rubin construction company, Igor ...
05/02/2001	4,331,900	$40.300	(5.087%)	Factiva	US giant set to save Nigg yard. US ENERGY services giant Halliburton is tipped to take back control of an offshore fabricati on yard, vital to the North of Scotland's economy, and attempt to restore its fortunes. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/03/2001	3,474,300	$40.500	0.4964	Factiva	Halliburton to acquire Magic Earth in stock deal DALLAS (NYT) -- The Halliburton Co., an oil services concern, has agreed to buy Magic Earth Inc., a company that specializes in the three-dimensional imaging of oil and gas deposits, f or $100 million in stock. ...
05/03/2001	3,474,300	$40.500	0.4964	Factiva	CHIF in Negotiations to Acquire Halliburton Licensee In CHIF (OTC Bulletin Board: CHIF)in Negotiations to Acquire Halliburton Licensee, moved ear lier today, we are advised by the compan the headline should read "CHIF in Negotiations to A cquire Dresser Licen and the first graph, sixth line ...
05/03/2001	3,474,300	$40.500	0.4964	Factiva	Bush's energy plan is an oilman's dream Vice President Dick Cheney's solution to the West Coast energy crisis sounds like an unbalan ced, supply-side plan hatched in an oil company's boardroom. That shouldn't be surprising. . ..
05/03/2001	3,474,300	$40.500	0.4964	PR Newswire	Valhi Announces Partial Redemption of Liquid Yield Option(TM) Notes
05/04/2001	3,244,900	$41.760	3.1114	Factiva	Halliburton sees in 3D. OILFIELD service giant Halliburton has signed a definitive agreement to acquire Houston-base d 3D visualisation and interpretation technology company Magic Earth in a stock-for-stock de al worth $100 million. ...
05/06/2001	.	.	.	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
05/07/2001	1,859,000	$41.080	(1.6284)	Factiva	Maritime - Kursk (Russia). In May 2001, an international consortium is being formed, to raise the sunken Russian submar ine, "Kursk". The consortium will include Halliburton and two Dutch companies, and will be s igned by the construction company, Rubin. The salvage of ...
05/07/2001	1,859,000	$41.080	(1.6284)	Factiva	Halliburton Energy Services. Houston, has formed a strategic alliance with Vertex Petroleum Systems (VPS) to offer remote , ongoing reservoir modeling and analytical services to the petroleum industry. The alliance combines the communication capabilities of the internet'...
05/07/2001	1,859,000	$41.080	(1.6284)	Factiva	HALLIBURTON AGREES TO ACQUIRE MAGIC EARTH FOR $100 MILLION Halliburton Co. (NYSE: HAL) agreed to acquire Magic Earth Inc., a leading three-dimensional visualization and interpretation technology company with broad data mining applications, in a $100 million exchange of stock last week. The Dallas ...
05/07/2001	1,859,000	$41.080	(1.6284)	Factiva	Cheney previews task force themes.(Brief Article) US vice-president Dick Cheney has given a detailed glimpse of what the White House energy ta sk force is likely to recommend as US energy strategy. ...
05/07/2001	1,859,000	$41.080	(1.6284)	Factiva	INDUSTRY RESTRUCTURING. INDUSTRY RESTRUCTURING - US firms Devon and Williams have reportedly submitted bids for US i ndependent producer Barrett, after the Denver-based company rejected a revised offer from Ro

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					yal Dutch/Shell, worth $2.4 billion in cash and assumed ...
05/07/2001	3,859,000	$41.080	(1.628%)	Factiva	Shell International Exploration and Production B.V., a Royal Dutch Company, and Halliburt Date Announced: 20000412 Shell International Exploration and Production B.V., a Royal Dutch company, and Halliburton Company announced that they have signed a Memorandum of Understandi ng for the establishment of a 50-50 joint venture to ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Burke meets with railway "glue". Northern Territory Chief Minister, Denis Burke, met US Vice President, Dick Cheney, in Washi ngton on 7 May 2001. Burke said before the meeting he would brief Cheney on the progress of the Alice Springs to Darwin railway, and also discuss ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	ANADARKO PETROLEUM CORP - HALLIBURTON CO - Anadarko Announces Multiyear Global Agreement New York, New York, May 08, 2001 (Market News Publishing via COMTEX) -Anadarko Petroleum Cor poration announced that it has signed a multiyear agreement with Landmark Graphics Corporati on, a wholly owned business unit of Halliburton Company ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Burke meets with railway 'glue'. Chief Minister Denis Burke was expected to meet with US Vice-President Dick Cheney in a spec ial meeting at the White House in Washington late last night. The planned meeting, which wou ld conclude Mr Burke's eight-day United States visit ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Landmark Graphics Announces Acquisition of ILEX Technologies, Ltd. DALLAS, May 8 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company (NYSE: HAL), today announced acquisition of UK-based ILEX Technologies, Ltd. ILEX is a leading provider of Web-based data ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Anadarko Announces Multiyear Global Agreement With Landmark New Strategic Relationship Advances Exploration and Production Capabilities HOUSTON, May 8 / PRNewswire/ -- Anadarko Petroleum Corporation (NYSE: APC) announced today that it has signed a multiyear agreement with Landmark Graphics ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Landmark Graphics Earns Prestigious Support Center Practices (SCP) Certification Company Recognized Third Consecutive Year for Delivering Top-Quality Support DALLAS, May 8 / PRNewswire/ -- Landmark Graphics Corp., a wholly owned business unit of Halliburton Company (NYSE: HAL), announced today that it has received the ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Halliburton 2001 Shareholders' Meeting Webcast DALLAS, May 8 /PRNewswire/ -- Halliburton Company's (NYSE: HAL) annual meeting of shareholde rs will be held at The Fairmont Hotel in Dallas, Texas on Tuesday, May 15, 2001 at 9:00 AM C entral Daylight Time, ...
05/08/2001	2,048,200	$41.230	0.365%	Factiva	Halliburton Company's Unit Announces Acquisition of ILEX Technologies, Ltd. Date Announced: 20010508 Landmark Graphics Corporation, a wholly owned business unit of Hall iburton Company, announced the acquisition of UK-based ILEX Technologies, Ltd., a provider o f Web-based data management solutions for the oil and ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/08/2001	2,048,200	$41.230	0.365%	PR News	Landmark Graphics Announces Acquisition of ILEX Technologies, Ltd.
05/08/2001	2,048,200	$41.230	0.365%	PR News	Anadarko Announces Multiyear Global Agreement With Landmark
05/08/2001	2,048,200	$41.230	0.365%	PR News	Landmark Graphics Earns Prestigious Support Center Practices (SCP) Certification
05/08/2001	2,048,200	$41.230	0.365%	PR News	Halliburton 2001 Shareholders' Meeting Webcast
05/09/2001	3,169,400	$42.510	3.105%	Factiva	COMPANY NEWS Halliburton Co's Landmark Graphics Corp unit acquires ILEX Technologies Ltd, provider of Web -based data management services for oil and gas industry
05/10/2001	2,191,600	$42.600	0.212%	Factiva	Towage - Keppel Smit clinches Malampaya charter contracts. KEPPEL Smit Transpecific reported that it had clinched several charter contracts for the Mal ampaya natural gas development project in offshore Palawan. ...
05/10/2001	2,191,600	$42.600	0.212%	Factiva	Personnel.DiBona Named Mitchell Director... DiBona Named Mitchell Director Mitchell Energy & Development announced that Charles J. DiBon a, former chief executive of the American Petroleum Institute, has been elected to Mitchell' s board. He is chairman of the Logistics Management ...
05/10/2001	2,191,600	$42.600	0.212%	Factiva	RESULTS OF A TENDER FOR THE DEVELOPMENT OF AMANGELDY DEPOSIT ANNOUNCED. ALMATY, May 10 (Interfax) - A consortium containing San Drilling, Halliburton and Geophysica l Well Research has won a tender to carry out geophysical work at the Amangeldy group of gas deposits in southern Kazakhstan, KazTransGaz PR ...
05/11/2001	2,163,100	$41.790	(1.901%)	SunTrust Robinson	HAL: Estimates Raised: Rating Boosted to OUTPERFORM
05/14/2001	3,406,000	$43.950	5.169%	Factiva	HP, Accenture to take on IBM Global Services PALO ALTO - Hewlett-Packard and Accenture, formerly Andersen Consulting, are teaming to prov ide an outsourcing service that will help firms move legacy applications onto new technology infrastructures, and integrate new technologies with ...
05/14/2001	3,406,000	$43.950	5.169%	Factiva	KAZTRANSGAZ TO CONDUCT GEOLOGICAL EXPLORATION OF AMANGELDY GASFIELD. KazTransGaz has chosen the contractor for comprehensive geological exploration of the Amange ldy gas field. The company reported that it chose the alliance of San Drilling Group, Hallib urton and Geophysical Well Study. ...
05/14/2001	3,406,000	$43.950	5.169%	Factiva	SHRINKING PAINS: OIL INDUSTRY BRACES FOR EXODUS OF RETIRING WORKERS A "huge knowledge drain" threatens to wound the petroleum industry this decade as mass amoun ts of oil field veterans reach retirement age. However, executives warn that an over-the-top hiring spree will only perpetuate the hire-and ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/14/2001	3,406,000	$43.950	5.169%	Factiva	OUTBACK'S COASTAL HOOKUP Work is to begin on the final leg of a $660-million, 1,400-kilometer wilderness railroad the t will link Australia's northern coast at Darwin with Adelaide in the south. The final contr act signed late last month is for work north of Alice ...
05/14/2001	3,406,000	$43.950	5.169%	Factiva	Landmark Graphics Prepares to Launch PetroBank CDS (Corporate Data Solution) 7 A Revolutionary, Next-Generation Solution for Storing, Accessing And Managing E&P Informat ion Throughout the Data Life Cycle 7 DALLAS, May 14 /PRNewswire/ -- Landmark Graphics Corpor ation, a wholly owned business unit of ...
05/14/2001	3,406,000	$43.950	5.169%	Factiva	Valhi Announcement Regarding Exchange Rights With Respect to Its Liquid Yield Option(TM) DALLAS, May 14 /PRNewswire/ -- Valhi, Inc. (NYSE: VHI) announced today that it will deliver shares of Halliburton Company (NYSE: HAL) common stock, par value $2.50 per share, to holder s of Valhi's outstanding Liquid Yield Option(TM) Notes ...
05/14/2001	3,406,000	$43.950	5.169%	PR News	Landmark Graphics Prepares to Launch PetroBank CDS (Corporate Data Solution)
05/14/2001	3,406,000	$43.950	5.169%	PR News	Valhi Announcement Regarding Exchange Rights With Respect to Its Liquid Yield Option(TM) Not es
05/15/2001	3,831,400	$45.350	3.185%	Factiva	Derby-based WS Atkins Rail. Derby-based WS Atkins Rail has announced the appointment of two senior figures in its rail b usiness. Dave Saunders has been appointed managing director of rolling stock while Allen McD onald returns to WS Atkins after three years with ...
05/15/2001	3,831,400	$45.350	3.185%	Factiva	Halliburton Declares 12.5c Regular Quarterly Div Pay June 27, record June 6. 01:15 PM
05/15/2001	3,831,400	$45.350	3.185%	Factiva	AFL-CIO and ICEM Challenge Halliburton on Burma Ties at Shareholders Meeting DALLAS, May 15 /PRNewswire/ -- Worker shareholders are stepping up their global campaign to end corporate support for Burma's military dictatorship at Halliburton's (NYSE: HAL) annual meeting today. Representatives of the AFL- CIO and the ...
05/15/2001	3,831,400	$45.350	3.185%	PR News	Halliburton 2001 Shareholders' Meeting and Second Quarter Dividend DALLAS, May 15 /PRNewswire/ -- At Halliburton Company's (NYSE: HAL) annual meeting of shareh olders in Dallas today, the shareholders elected all 13 nominees to the board of directors, ratified the appointment of Arthur Andersen LLP to audit ...
05/15/2001	3,831,400	$45.350	3.185%	PR News	Landmark Graphics Releases DataStar
					AFL-CIO and ICEM Challenge Halliburton on Burma Ties at Shareholders Meeting

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/15/2001	3,831,400	$45.350	3.185%	PR News	Halliburton 2001 Shareholders' Meeting and Second Quarter Dividend
05/16/2001	4,259,400	$45.410	0.132%	Deutsche Bank Rese	Several Catalysts Should Continue To Drive Stock Higher, but Lowering Rating from Strong Buy to Buy to Reflect Recent Appreciation - Web Version
05/16/2001	4,259,400	$45.410	0.132%	Factiva	HALLIBURTON PREPARES CASPIAN VESSEL Halliburton Subsea has signed up to obtain a marine operating base which is to be used to ta p into potential prospects in the Caspian Sea offshore sector. ...
05/16/2001	4,259,400	$45.410	0.132%	Factiva	Canada is not a quick fix for U.S. energy problems CALGARY -- When Dick Cheney travelled to Calgary last June to speak to the World Petroleum C ongress, he did so as chief executive officer of Halliburton, the largest oil field services contractor in the world. ...
05/16/2001	4,259,400	$45.410	0.132%	Factiva	RESEARCH ALERT-DB Alex Brown cuts Halliburton. NEW YORK, May 16 (Reuters) - DB Alex Brown analyst A. Sanger cut the rating on oilfield serv ices giant Halliburton Co. to buy from strong buy on Wednesday. ...
05/16/2001	4,259,400	$45.410	0.132%	Factiva	Future Lies in Deep-Water Drilling, Says Chief of Dallas-BasedOilfield Firm Oil companies will be digging deep underwater -- and in their pocketbooks -- to tap petroleu m reserves in the future, Halliburton Co. chairman, president and chief executive Dave Lesar told shareholders Tuesday. ...
05/16/2001	4,259,400	$45.410	0.132%	Factiva	Contract On Lifting Kursk Will Be Signed On May 18. A contract on lifting the Kursk nuclear submarine from the bottom of the Barents Sea will be signed on May 18 in.Moscow and names of foreign companies that will take part in the operat ion will be announced. This information was reported by ...
05/16/2001	4,259,400	$45.410	0.132%	Factiva	Valhi Announces Additional Partial Redemption of Liquid Yield Option(TM) Notes DALLAS, May 16 /PRNewswire/ -- Valhi, Inc. (NYSE: VHI), announced today the redemption of an additional $20 million principal amount at maturity of its outstanding Liquid Yield Option(TM) Notes due 2007 (CUSIP No. 918905 AC 4) for a ...
05/16/2001	4,259,400	$45.410	0.132%	PR News	Valhi Announces Additional Partial Redemption of Liquid Yield Option(TM) Notes
05/17/2001	4,048,000	$47.310	4.184%	Factiva	Dutch-led group loses out on Kursk salvage contract. AMSTERDAM, May 17 (Reuters) - A Dutch-led consortium said on Thursday it had lost out on a m ulti-million dollar contract to salvage the wrecked Russian submarine Kursk and accused Mosc ow of dragging its feet over financial guarantees for ...
05/17/2001	4,048,000	$47.310	4.184%	Factiva	Bush plan draws mixed reaction from energy execs. NEW YORK, May 17 (Reuters) - President George W. Bush's energy plan found broad praise Thurs day from energy companies facing what he called "the most serious energy shortage" in decade

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					s, but also drew criticism from executives worried it ...
05/17/2001	4,048,000	$47.310	4.1844	Factiva	UPDATE 1-Bush plan draws mixed reaction from energy execs. NEW YORK, May 17 (Reuters) - President George W. Bush's energy plan found broad praise Thurs day from companies facing what he called "the most serious energy shortage" in decades, alon g with some criticism from oil and utility executives ...
05/17/2001	4,048,000	$47.310	4.1844	Factiva	UPDATE 2-Bush plan draws mixed reaction from energy execs. NEW YORK, May 17 (Reuters) - President George W. Bush's energy plan found broad praise Thurs day from companies facing what he called "the most serious energy shortage" in decades, alon g with some criticism from oil and utility executives ...
05/17/2001	4,048,000	$47.310	4.1844	Factiva	Russia refuses to sign contract with Kursk sub recovery consortium. Excerpt from report by Russian news agency Interfax St Petersburg, 17 May: The Russian side on Thursday 17 May forwarded an official letter to Halliburton, Heerema Marine Contractors a nd Smit Tak companies - members of an international ...
05/17/2001	4,048,000	$47.310	4.1844	Factiva	INTERNATIONAL CONSORTIUM WILL NOT RAISE RUSSIAN SUBMARINE. ST. PETERSBURG/BRUSSELS, May 17 (Interfax-Northwest) - Halliburton, Heerema Marine Contracto rs and Smit Tak, companies making up an international consortium that was supposed to raise the Russian nuclear-powered submarine Kursk, received ...
05/17/2001	4,048,000	$47.310	4.1844	Factiva	UPDATE 3-Bush plan draws mixed reaction from energy execs. NEW YORK, May 17 (Reuters) - President George W. Bush's energy plan found broad praise on Th ursday from companies facing what he called "the most serious energy shortage" in decades, a long with some criticism from oil and utility executives ...
05/18/2001	3,780,500	$47.810	1.0574	Factiva	Keppel unit wins Philippine work. Manila: Keppel Smit Transpacific, the towage and salvage unit of the Keppel Philippines Grou p, has reported signing several charter contracts for the Malampaya natural gas development project in offshore Palawan. The towage and salvage ...
05/18/2001	3,780,500	$47.810	1.0574	Factiva	White House to review oil sanctions. The White House energy task force yesterday called for a review of foreign sanctions to "min imise their costs on US citizens and interests", but stopped short of calling for an easing of unilateral US bans on Iran, Libya or Iraq. ...
05/18/2001	3,780,500	$47.810	1.0574	Factiva	Dresser-Wayne Division (Halliburton) Salisbury, MD; Notice of Negative Determination Rega By Application of February 8, 2001, the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), Local 356, request administrative reconside ration of the Department's negative determination ...
05/18/2001	3,780,500	$47.810	1.0574	Factiva	Russia: Russian government signed a contract with a Dutch company on rescue operations wi Russian Federation: Russian government presented by Rubin submarine design bureau (St. Peter sburg, Russia) signed $50 mil contract with Mammoet Transport BV (Netherlands) on rescue ope rations with Kursk nuclear submarine sank in 2000 on May ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/18/2001	3,780,500	$47.810	1.057%	Factiva	Man found not guilty of marijuana possession URBANA A Champaign County jury Thursday acquitted a Clinton man of possessing marijuana inte nded for sale in spite of his fingerprint being found on the bag it was in. ...
05/18/2001	3,780,500	$47.810	1.057%	Factiva	Valhi Announces Third Partial Redemption of Liquid Yield Option(TM) Notes DALLAS, May 18 /PRNewswire/ -- Valhi, Inc. (NYSE: VHI), announced today the third partial re demption of an additional $20 million principal amount at maturity of its outstanding Liquid Yield Option(TM) Notes due 2007 (CUSIP No. 918905 AC 4 ...
05/18/2001	3,780,500	$47.810	1.057%	Factiva	Contract to Lift Kursk Submarine to Be Signed on May 18. Russia officially gave up on May 17 the services of the international consortium of the US H ALLIBURTON and the Dutch HEEREMA MARINE CONTRACTORS and SMIT for the lifting of the Kursk nu clear submarine and are considering a different firm. ...
05/18/2001	3,780,500	$47.810	1.057%	PR News	Valhi Announces Third Partial Redemption of Liquid Yield Option(TM) Notes
05/18/2001	.	.	.	Factiva	MARINE - KURSK (Russia). London, May 18 - A press report, dated today, states: The consortium, formed by Dutch firms Smit Internationale and Heerema and Halliburton of the US, said it had been informed by the Russian government that the multi-million dollar ...
05/20/2001	.	.	.	Factiva	Suffolk Downs Entries, Monday 1st-$4,600, Cl $4,000-$4,000, 4YO up, 1mi 70yd. Halliburton 122 Storm Out Front 122 Clever R hyme 118 Jurisprudent 113 Highway Bound 120 Tuxedo Road 122 ...
05/21/2001	3,762,900	$49.200	2.907%	Factiva	Docks empty but Barmac full of hope. THE Cromarty Firth boasts one of the world's largest dry docks, a facility measuring 350 x 1 50 metres at Barmac's Nigg yard - but it is empty. ...
05/21/2001	3,762,900	$49.200	2.907%	Factiva	Bates and Dresser Renew Relationship On Worldwide Stage.(BriefArticle) DALLAS--Bates Churchill Advertising has been selected to develop global brand advertising fo r Dresser Inc. The assignment is a rematch for Houston-based Bates, which had worked for the energy systems manufacturer prior to its acquisition in ...
05/21/2001	3,762,900	$49.200	2.907%	Factiva	Landmark Graphics President and CEO John Gibson Joins iVita Corporation's Board of Direct HOUSTON--(BUSINESS WIRE)--May 21, 2001--iVita Corporation, the leading provider of Asset Val ue Management solutions, today announced that John Gibson, president and CEO of Landmark Gra phics Corporation, a division of Halliburton Company ...
05/21/2001	3,762,900	$49.200	2.907%	Factiva	CONTRACT FOR RAISING THE KURSK WILL BE SIGNED WITH MAMMOET, BUTNOT WITH INTERNATIONAL CON Igor Spassky, Director of the Rubin Design Bureau, and Mikhail Barskov, Deputy Commander of the Russian Navy for Armament, are to sign a contract with the Dutch company Mammoet on May 18, to raise the Kursk nuclear submarine. [...] ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/21/2001	3,762,900	$49.200	2.907%	Factiva	U.S. ARMY, HALLIBURTON PARTNER IN RECRUITING PROGRAM. FORT KNOX, Ky. (Army News Service, May 21, 2001) - The U.S. Army Recruiting Command and Halliburton Company signed an agreement May 16 to provide priority hiring status to qualified soldiers participating in the Partnership for Youth ...
05/21/2001	3,762,900	$49.200	2.907%	Factiva	HAMMOET OFFERS COOPERATION TO SMIT TAK IN LIFTING SUNKEN SUBMARINE. ST. PETERSBURG, May 21 (Interfax-Northwest) - The Dutch company Hammoet, which signed a contract on lifting the sunken nuclear submarine Kursk with Russia on May 16, has offered cooperation to the Smit Tak company in implementing the ...
05/22/2001	4,019,000	$47.990	(2.459%)	Factiva	Contracts signed for EPC at Burrup Peninsula. In May 2001, the Kellogg Joint Venture (KJV) has secured a contract to expand Australia's North West Shelf (NWS) project. The engineering, procurement and construction project, worth about $A280m, is for the construction of a liquefied ...
05/22/2001	4,019,000	$47.990	(2.459%)	Factiva	HP, Accenture to take on IBM Global Services. Hewlett-Packard and Accenture, formerly Andersen Consulting, are teaming to provide an outsourcing service that will help firms move legacy applications onto new technology infrastructures, and integrate new technologies with existing ...
05/22/2001	4,019,000	$47.990	(2.459%)	Factiva	East Tullos blaze workers cleared. East Tullos blaze workers cleared A FIRE at an Aberdeen oil-related company resulted in hundreds of workers being evacuated yesterday. The incident happened about 9.20am at Halliburton in East Tullos, when a pressurised gas cylinder caught ...
05/23/2001	3,347,700	$46.620	(2.855%)	Factiva	Rotch Vies for Gdanska Stake. An industry group led by private UK-based Rotch Energy said Tuesday that it was willing to pay over $1 billion, including hefty investment, for a majority stake in Poland's No. 2 refinery, Rafineria Gdanska. ...
05/23/2001	3,347,700	$46.620	(2.855%)	Factiva	JAOC WILL START DRILLING FIRST ATESHGYAKH WELL THIS YEAR. BAKU, 23 MAY, AZER-PRESS. The Japanese consortium JAOC plans to begin drilling the first appraisal well in the contract block Ateshgyakh-Yanan Tava-Hugan Deniz before the end of this year, namely, in the fourth quarter of this year. The ...
05/23/2001	3,347,700	$46.620	(2.855%)	Factiva	The United States of Halliburton?; Bush backs a merger betweenAmerica and the oil giant In a move that his supporters are calling his boldest to date, President George W. Bush today advocated a merger between the United States of America and the Halliburton Co., one of the world's largest oil-producing concerns. ...
05/24/2001	2,488,800	$46.590	(0.064%)	Factiva	Valhi Announces Fourth Partial Redemption of Liquid Yield Option(TM) Notes DALLAS, May 24 /PRNewswire/ -- Valhi, Inc. (NYSE: VHI), announced today the fourth partial redemption of an additional $20 million principal amount at maturity of its outstanding Liquid Yield Option(TM) Notes due 2007 (CUSIP No. 918905 AC 4 ...
05/24/2001	2,488,800	$46.590	(0.064%)	PR News	Valhi Announces Fourth Partial Redemption of Liquid Yield Option(TM) Notes

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/25/2001	2,105,600	847.510	1.975%	Factiva	Company rejoins project to raise wrecked Russian sub. Text of report in English by Russian news agency ITAR-TASS Moscow, 25 May: The American-Norwegian company Halliburton will take part in the operation to raise the wrecked submarine Kursk, Deputy Prime Minister Ilya Klebanov said. ...
05/25/2001	2,105,600	847.510	1.975%	Factiva	Deputy PM Reports On Companies To Participate In Kursk LiftingOperation. Three out of four companies that participated in the international consortium will take part in the Kursk lifting operation, deputy prime minister Ilya Klebanov announced at a press conference in Moscow today. He noted that Mammoet, which ...
05/25/2001	2,105,600	847.510	1.975%	Factiva	Halliburton returns into contract to raise Kursk. The American-Norwegian company Halliburton will take part in the operation to raise the wrecked submarine Kursk, Deputy Prime Minister Ilya Klebanov said. ...
05/25/2001	2,105,600	847.510	1.975%	Factiva	Russia to raise Kursk in conformity to international norms. MOSCOW, May 25 (Itar-Tass) - The nuclear reactor of the wrecked Kursk submarine was automatically shut down and the radiation background in the wreck zone is normal. Yet Russia must raise the submarine in compliance with international norms ...
05/25/2001	2,105,600	847.510	1.975%	Factiva	Mammoet starts negotiations with Halliburton. MOSCOW, May 25 (Itar-Tass) - Netherlands-based Mammoet, the leading contractor in raising the Kursk nuclear-powered submarine in the Barents Sea, has started negotiations with Halliburton to use the company's divers and equipment in the ...
05/25/2001	2,105,600	847.510	1.975%	SunTrust Robinson	Halliburton Company
05/28/2001	.	.	.	Factiva	Russia: It is planned to lift sank nuclear submarine Kursk on September 15.(Brief Article Russian Federation: According to the Russian government, it is planned to lift sank nuclear submarine Kursk on September 15. Mission will be realized by Mammoet (Netherlands) in cooperation with Smit Tak (Netherlands), Halliburton (Norway ...
05/28/2001	.	.	.	Factiva	16 DIVERS START TRAINING TO RAISE THE KURSK SUBMARINE. ST. PETERSBURG, May 28 (Interfax-Northwest) - Divers of the U.S.-Norwegian Halliburton Company may help to raise the wrecked Kursk submarine, Yuri Sukhachyov, chief of the 40th rescue and diving research institute, said at a press ...
05/28/2001	.	.	.	Factiva	Halliburton Company's Divers May Participate In Operation To Raise The Kursk. Deep-sea divers of the Norwegian company Halliburton may take part in the operation to raise the Kursk nuclear submarine, Yury Sukhachyov, head of the Russian Defense Ministry's research institute of rescue operations and deep-sea work ...
05/28/2001	.	.	.	Factiva	HALLIBURTON to Take Part in Kursk Lifting Operations. Lifting operations for the Kursk submarine are scheduled for September 15, reported Russian Deputy Prime Minister Ilya Klebanov on May 25. According to calculations, the whole operation will take about ten hours and then the submarine will ...

News [illegible] Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: FactSet Research Systems, Inc., Factiva, and Reuters Research on Demand
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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
05/29/2001	2,037,800	$47.050	(0.968%)	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
05/29/2001	2,037,800	$47.050	(0.968%)	Factiva	Support lacking in US Congress to ease ILSA: Cheney Washington-The US Congress is unlikely to ease sanctions on Libya and Iran anytime soon, Vic e President Dick Cheney said May 25. "There's going to have to be some other change in...the conduct of those governments, I would think, before ...
05/29/2001	2,037,800	$47.050	(0.968%)	Factiva	MOODY'S DOWNGRADES HALLIBURTON COMPANY'S RATINGS TO A1 MOODY'S DOWNGRADES HALLIBURTON COMPANY'S RATINGS TO A1 Approximately $1.0 Billion of Debt Se curities Affected. New York, May 29, 2001 -- Moody's Investors Service downgraded the senior un secured debt ratings of Halliburton Company to A1 ...
05/30/2001	2,869,700	$45.970	(2.295%)	Factiva	RESULTS OF A TENDER FOR THE DEVELOPMENT OF AMANGELDY DEPOSIT ANNOUNCED. A consortium containing San Drilling, Halliburton and Geophysical Well Research has won a te nder to carry out geophysical work at the Amangeldy group of gas deposits in southern Kazakh stan, KazTransGaz PR Director Nairabek Oljabaily said. A ...
05/30/2001	2,869,700	$45.970	(2.295%)	Factiva	PRIDE FORASOL to Drill for SIBNEFT. SIBNEFT and PRIDE FORASOL, a subsidiary of the American PRIDE INTERNATIONAL, have signed a $ 60-million drilling contract. Guarantees for the contract will be provided by France's expor t credit agency COFACE. PRIDE will drill horizontal ...
05/30/2001	2,869,700	$45.970	(2.295%)	PR News	Valhi Announces Fifth Partial Redemption of Liquid Yield Option(TM) Notes
05/31/2001	3,660,300	$46.740	1.675%	Factiva	Haliburton releases MRIL-WD tool worldwide. In May 2001 a new well-logging device was released, globally, by Halliburton Energy Services . The device, a magnetic resonance imaging logging while drilling (MRIL-WD) tool was develop ed jointly with Sperry-Sun Drilling Services and NUMAR ...
05/31/2001	3,660,300	$46.740	1.675%	Factiva	WellDynamics Joint Venture is taking shape. In early 2001, Shell Group and Haliburton received approval in Europe for a services joint v enture. The two oil industry companies formed an equally shared joint venture known as WellD ynamics to share each company's oil and gas well ...
05/31/2001	3,660,300	$46.740	1.675%	Factiva	Stocks Ex-Dividend June 4 Company Amount Avery Dennison .30 CRIIMI Mae pfB s s-$6.80 payable in shrs of common stk. Da none Groupe t.332044 Delphi Finl clA .07 EspirSantoFinl ADS .6338 ...
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	In Brief.(News Briefs)(Brief Article) Maxon Computer (Newbury Park, CA) has acquired the rights to Smells Like Almonds (S/A), a se t of procedural shaders for Cinema 4D, Maxon's modeling and animation software, from bhodiNU T (Sullivan, MO).... UGS (formerly Unigraphics Solutions ...
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	CHINA: Construction plans for proposed 200,000 metric ton per year phenol and acetone pla PROJECT OVERVIEW: The local SHANGHAI GAO-QIAO PETROCHEMICAL, a subsidiary of (SINOPEC), is c urrently gearing-up to build a new phenol and acetone plant in China."In so doing, the compa

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	ny recently selected U.S.-based KELLOGG BROWN & ROOT ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	CHINA: Construction plans for proposed 200,000 metric ton per year phenol and acetone pla PROJECT OVERVIEW: The local SHANGHAI GAO-QIAO PETROCHEMICAL, a subsidiary of (SINOPEC), is c urrently gearing-up to build a new phenol and acetone plant in China. In so doing, the compa ny recently selected U.S.-based KELLOGG BROWN & ROOT ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	CHINA: Construction plans for proposed 200,000 metric ton per year phenol and acetone pla PROJECT OVERVIEW: The local SHANGHAI GAO-QIAO PETROCHEMICAL, a subsidiary of (SINOPEC), is c urrently gearing-up to build a new phenol and acetone plant in China. In so doing, the compa ny recently selected U.S.-based KELLOGG BROWN & ROOT ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	Internet-based remote reservoir modeling and analysis.(Vertex Petroleum Systems)(Brief Ar A remote ongoing reservoir modeling and analysis feature by Vertex Petroleum Systems (VPS) h as been integrated into the reservoir focus platform of Halliburton's Real-Time Reservoir So lutions (RTRS) system. This approach of combining the ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	Using CT to clean large diameter, deviated, and horizontal wellbores.(Brief Article) Altering standard cleanout practices A concept to address the age-old problems associated wi th cleaning sand and debris from large diameter, deviated, or horizontal wellbores has been developed as a result of a recent Halliburton ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	Internet-based remote reservoir modeling and analysis.(Vertex Petroleum Systems)(Brief Ar A remote ongoing reservoir modeling and analysis feature by Vertex Petroleum Systems (VPS) h as been integrated into the reservoir focus platform of Halliburton's Real-Time Reservoir So lutions (RTRS) system. This approach of combining the ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	Using CT to clean large diameter, deviated, and horizontal wellbores.(Brief Article) Altering standard cleanout practices A concept to address the age-old problems associated wi th cleaning sand and debris from large diameter, deviated, or horizontal wellbores has been developed as a result of a recent Halliburton and Barold ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	LNG expansion plans Woodside Energy has signed, on behalf of the North West Shelf Venture partners, a A$180mn co ntract with a Kellogg joint venture for the engineering, procurement and construction manage ment associated with the expansion of the venture's LNG ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	News in Brief. Halliburton and Intelligent Inspection have agreed to develop, market and deliver robotic an d artificial intelligence technologies to the oil and gas industry. The technology is expect ed to reduce oil and gas operational costs significantly ...
06/01/2001	2,795,600	$46.120	(1.3269)	Factiva	Bredero-Shaw expands its deepwater product offerings.(Brief Article) Halliburton Co. and Shaw Industries Ltd. report that their joint venture entity, Bredero-Sha w, has expanded its deepwater product offerings by completing its acquisition of Thermotite A/S. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	What is the future of multilateral technology? DRILLING/WELL COMPLETION What is the future of multilateral technology? Advances in multilat eral drilling and completion technology promise reduced costs, greater flexibility and incre ased profit potential
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	HALLIBURTON Energy Services subsidiary Wellstream... HALLIBURTON Energy Services subsidiary Wellstream has received a contract from Kerr-McGee to supply production riser and jumper systems for the operator's spar-based developments of it s Nansen and Boomvang fields in the deep-water Gulf of ...
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	Wellstream for Nansen, Boomvang work.(Brief Article). Halliburton Energy Services Group's Well stream won two contracts as part of Kerr McGee's de velopment of the Nansen and Boomvang fields in the Gulf of Mexico. The first contract is for the system design and supply of 5.6 in., 6,000-psi ...
06/01/2001	2,795,600	$46.120	(1.326%)	Factiva	Wellstream for Nansen, Boomvang work.(Brief Article) Halliburton Energy Services Group's Well stream won two contracts as part of Kerr McGee's de velopment of the Nansen and Boomvang fields in the Gulf of Mexico. The first contract is for the system design and supply of 5.6 in., 6,000-psi ...
06/02/2001				Factiva	CHENEY'S PAYBACK Why is Vice President Cheney so adamant in his demand to drill for gas and oil in the Gulf o f Mexico? The answer is obvious: political payback. Cheney was chief executive officer of th e Halliburton Company. Halliburton is a leader in the ...
06/04/2001	3,036,100	$47.510	3.014%	Factiva	MOODY'S REDUCES ITS ASSESSMENTS OF HALLIBURTON'S SENIOR DEBT Based on a weaker-than-expected financial performance during the most recent industry trough , Moody's Investors Service downgraded the senior unsecured debt ratings of Halliburton Co. (NYSE: HAL) to A1 from Aa3 with a stable outlook. Moody ...
06/04/2001	3,036,100	$47.510	3.014%	Factiva	GrandBasin - Newly Established as a Landmark Graphics Company -Delivers 'Proof Point' for New Technology Capabilities to Be Demonstrated in the 'Real World' At the AAPG Annual Sympos ium DALLAS, June 4 /PRNewswire/ -- Landmark Graphics Corporation, a wholly owned business un it of Halliburton Company ...
06/04/2001	3,036,100	$47.510	3.014%	Factiva	Petroleum Place and Landmark Graphics Announce OpenJournal - Petroleum Place Connect - Automates and Accelerates the Creation of Electronic Data Rooms On Petroleum Place to Prom ote Properties and Prospects - DENVER, June 4 /PRNewswire/ -- Petroleum Place, Inc. a leadin g Internet portal and property and prospect ...
06/04/2001	3,036,100	$47.510	3.014%	PR News	GrandBasin - Newly Established as a Landmark Graphics Company - Delivers 'Proof Point' for I ts Application and Data Service Provider Offerings
06/04/2001	3,036,100	$47.510	3.014%	PR News	Landmark Graphics Announces a Reseller Agreement With SCM, Inc.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/04/2001	3,036,100	$47.510	3.014%	PR News	Petroleum Place and Landmark Graphics Announce OpenJournal - Petroleum Place Connect
06/05/2001	2,383,000	$47.400	(0.232%)		
06/06/2001	3,261,700	$45.000	(5.063%)	Factiva	KESSOG TECHNOLOGY TEAMS SELECTED Five companies have been chosen by BP to push forward work on the 10Cm bee high pressure and high temperature Kessog prospect. High Pressure and High Temperature well construction work is to be handled by Halliburton's Energy Services Group ...
06/06/2001	3,261,700	$45.000	(5.063%)	Factiva	Hammoet conducts no talks with Halliburton on Kursk lifting. The Dutch company Hammoet, the main performer of work under a contract to lift the sunken nu clear submarine Kursk in the Barents Sea, is not conducting any negotiations with the corpor ation Halliburton on the use of its divers in the ...
06/06/2001	3,261,700	$45.000	(5.063%)	Factiva	Lifting of Kursk to Cost $63m. The Russian government has paid HAMMOET about $12 million upfront under a contract for the l ifting of the Kursk nuclear submarine. On June 6, the news broke that the contract with HAMM OET is worth $63 million, which is $7m lower than the ...
06/06/2001	3,261,700	$45.000	(5.063%)	PR News	Valhi Announces Sixth Partial Redemption of Liquid Yield Option(TM) Notes
06/07/2001	3,498,800	$44.420	(1.289%)		
06/08/2001	1,502,800	$44.800	0.855%	Factiva	Halliburton's..... Byron Spawls caption cavalry rides to the rescue AN ALLIANCE forged back in October 1998 bet ween TNK and US oilfield services giant Halliburton, which has a long-established base in Ni zhnevartovsk, is a key cornerstone in the Russian ...
06/08/2001	1,502,800	$44.800	0.855%	Factiva	Halliburton wants equipment without tax. Halliburton, the company responsible for implementing the development of oil production in t he Barrucada-Carotinga fields in Bacia de Campos, is threatening to buy machines and equipme nt outside of the country. The reasons for this are the ...
06/08/2001	1,502,800	$44.800	0.855%	Factiva	FOREIGN SPECIALISTS REAP $8-MIL ON KUWAIT BLOW-OUT Kuwait Oil Co so far has paid $8.17-mil to international well control specialists in a conti nuing effort to recover a deep horizon gas well that blew out Apr 10, 2000, in far northwest ern Kuwait, sources close to the project said June 7. ...
06/09/2001	.	.	.	Factiva	Varyoganneftegaz Board Elects New Chairman. Today SIDANCO's subsidiary Varyoganneftegaz held a board meeting in Moscow. It elected SIDAN CO's financial planning department head Khariton Kesov chairman of the board of Varyoganneft egaz. Previously Kesov was also the general director of ...
06/09/2001	.	.	.	Factiva	Oil delegates head for Aberdeen. Oil delegates head for Aberdeen ABOUT 200 delegates from Europe and North America will atten d a seminar at Aberdeen Exhibition and Conference Centre on Wednesday. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/11/2001	2,331,600	844.070	(1.629%)	Factiva	Get fit to work better. Scotland's Halliburton group of companies have bettered their Health at Work silver award fo r promoting health in eight of their Aberdeen facilities with a three-month Commit to Get Fi tter 2001 challenge. ...
06/11/2001	2,331,600	844.070	(1.629%)	Factiva	U.S. ARMY IS TEAMING UP WITH FIRMS TO ATTRACT AND TRAIN NEW RECRUITS UNCLE SAM AND THE CONSTRUCTION industry are each looking for high-quality new recruits, and they are turning to each other for help. Recruits receive a promise of training while in the military and will have a priority pipeline to civilian ...
06/12/2001	2,063,600	844.770	1.588%	Factiva	JAOC Will Start Drilling First Ateshgyakh Well This Year. The Japanese consortium JAOC plans to begin drilling the first appraisal well in the contrac t block Ateshgyakh-Yanan Tava-Hugan Deniz before the end of this year, namely, in the fourth quarter of this year. The jack-up drilling rig ...
06/13/2001	3,813,100	844.300	(1.050%)	Factiva	ONDEO strengthens leadership role in petroleum and petrochemical industries. ONDEO, a subsidiary of Suez, announced that the Nalco/Exxon Energy Chemicals LP joint ventur e in which it is a limited partner, has redeemed ExxonMobil Chemical's 40% interest. Nalco/E xxon Energy Chemicals is now a wholly owned subsidiary ...
06/13/2001	3,813,100	844.300	(1.050%)	Factiva	TNK EXPECTS MONEY UNDER US EXIMBANK GUARANTEE IN JUNE, JULY. Tyumen Oil Company (TNK) expects to receive the compensation portion of loans under guarante es from the Export-Import Bank of the United States in June or July, company Senior Vice Pre sident Iosif Bakaleinik told Petroleum Information ...
06/13/2001	3,813,100	844.300	(1.050%)	Factiva	TIMET Appoints New Director DENVER, June 13 /PRNewswire/ -- Titanium Metals Corporation ("TIMET") (NYSE: TIE) appointed Patrick M. Murray as a director of TIMET and a member of its audit committee effective June 8, 2001. Mr. Murray is currently President and Chief ...
06/14/2001	3,303,100	843.270	(2.325%)	Factiva	TYUMEN OIL JOINS U.S. CHAMBER OF COMMERCE. MOSCOW, June 14 (Interfax) - The Tyumen Oil Company (TNK) has become a member of the U.S. Ch amber of Commerce. TNK said it is the first Russian company to become a member of the organi zation, which includes about 3 million companies ...
06/14/2001	3,303,100	843.270	(2.325%)	Factiva	Halliburton Provides $500,000 and Equipment to Assist With Flood Recovery Efforts HOUSTON, June 14 /PRNewswire/ -- Halliburton Company (NYSE: HAL), the third largest private sector employer in the Houston area with over 17,000 employees, has donated $500,000 to assi st in flood recovery efforts resulting from Tropical ...
06/14/2001	3,303,100	843.270	(2.325%)	Factiva	European Commission decisions under the merger control regulations - Shell/Halliburton/We Adopted on 15 Mar 2001. The decision gives the go-ahead for the creation of a joint venture called WellDynamics between Shell Petroleum NV and Halliburton, a US-based company specialis ing in oilfield products and services. The joint venture ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/14/2001	3,303,100	$43.270	(2.325%)	Factiva	NORWAY HAS SUFFICIENT AMOUNT OF DIVERS FOR OPERATION TO RAISE KURSK - COMPANY CHIEF. ST. PETERSBURG/STAVANGER. June 14 (Interfax Northwest) - The Norwegian company North Cutting & Abandonment (NCA) has a sufficient staff of deep-sea divers, the NCA technical manager Per Lund told Interfax on Thursday. ...
06/14/2001	3,303,100	$43.270	(2.325%)	PR News	Halliburton Provides $500,000 and Equipment to Assist With Flood Recovery Efforts
06/15/2001	3,386,200	$43.120	(0.347%)	Factiva	Tracker..... Halliburton wins $3m subsea contract ABERDEEN-BASED Halliburton Subsea has clinched a $3 million contract with energy company Kerr McGee to install, pre-commission and test subsea systems for an extension to the Gryphon oilfield in the ...
06/15/2001	3,386,200	$43.120	(0.347%)	Factiva	Output on the up.(petroleum)(Brief Article) TNK's production is concentrated in the Khantiy-Mansiysk autonomous district of western Siberia. The firm is aiming to keep crude output rising at 4.5pc/yr, but most of its fields are old and this is pushing up costs. ...
06/15/2001	3,386,200	$43.120	(0.347%)	Factiva	TNK IS FIRST RUSSIAN COMPANY TO JOIN US CHAMBER OF COMMERCE. The US Chamber of Commerce is a large business organization uniting about 3 million companies and corporations. Joining the chamber as a partner, TNK confirmed its status as a company on an international level and its intention to broaden ...
06/15/2001	3,386,200	$43.120	(0.347%)	Factiva	THE GREAT FLOOD OF 2001 / Area donation floodgates open Numerous Houston-area businesses and religious and social organizations have donated money, equipment and volunteer assistance to flood victims.
06/17/2001	.	.		Factiva	CELEBRATIONS: Halliburtons married 50 years Gilbert and Kay Halliburton of Greensboro are celebrating their 50th wedding anniversary today, June 17, 2001. They were married June 17, 1951 in Decatur, Ill. ...
06/18/2001	1,924,800	$42.390	(1.693%)	Factiva	Halliburton Co. Dallas, has signed an agreement to acquire Magic Earth Inc., a 3D visualisation and interpretation technology company. Magic Earth and Halliburton's Landmark Graphics will collaborate and integrate key technologies to increase the rate of ...
06/18/2001	1,924,800	$42.390	(1.693%)	Factiva	Fulcrum Technologies Appoints Two Top Executives to Oversee Client Services and Strategic SEATTLE--(BUSINESS WIRE)--June 18, 2001--Fulcrum Technologies, the telecommunications industry leader in asset tracking and materials management software solutions, today announced the addition of Randy Apsel as vice president and executive ...
06/18/2001	1,924,800	$42.390	(1.693%)	Factiva	TNK EXPECTS MONEY UNDER US EXIMBANK GUARANTEE IN JUNE, JULY. Tyumen Oil Company (TNK) expects to receive the compensation portion of loans under guarantees from the Export-Import Bank of the United States in June or July, company Senior Vice President Iosif Bakaleinik told Petroleum Information ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/19/2001	1,845,000	$42.580	0.448%	Factiva	Double dose of good news for Archie appeal. Sarah Eveleigh, from the Halliburton Group, plays with Natalie Urquhart, 10, at the children 's hospital yesterday. Jim Irvine Angela Taylor with pic Must go all editions. Use logo comm ent at end EFFORTS to raise money for a new children's ...
06/19/2001	1,845,000	$42.580	0.448%	Factiva	SembCorp Marine JV in $270m Brazil job. SEMBCORP Marine's Brazilian joint-venture shipyard - Maua Jurong - has secured its first maj or contract, worth $270 million, it announced yesterday. ...
06/20/2001	2,738,600	$41.500	(2.536%)	Factiva	AWARDS UPDATE * Kerr-McGee has awarded Halliburton Subsea a $3m contract to allow the South Gryphon satell ite to be exploited in the UK. Halliburton will pre- commission, test and install install a single 6-inch flexible production line, hydraulic ...
06/20/2001	2,738,600	$41.500	(2.536%)	Factiva	Oil firm pledges $60,000 for new hospital. A NORTH-EAST oil giant has pledged to raise $60,000 to help sick children. Halliburton's mas sive boost will take the Archie Foundation fund closer to the $3 million goal set for the ne w Royal Aberdeen Children's Hospital. More than 50 ...
06/20/2001	2,738,600	$41.500	(2.536%)	Factiva	Vessel hits 1,000. day milestone HALLIBURTON Subsea said yesterday its dynamic-positioning lay vessel, the Tois e Perseus, had completed more than 1,000 days of operations without a loss-of-time incident. Toisa Perseus joined the company's fleet in September ...
06/21/2001	6,784,700	$39.240	(5.446%)		
06/22/2001	5,103,100	$39.240	0.051%	Factiva	Gribbin Joins Clark & Weinstock The lobbying firm of Clark & Weinstock has nabbed David Gribbin, a longtime top aide to Vice President Cheney and the former head of the Washington office of Halliburton Co., the Texas - based oil services giant, ...
06/23/2001	.	.	.	Factiva	Cheney oil firm had greater Iraq dealings-Post. WASHINGTON, June 22 (Reuters) - The oilfield services company Dick Cheney headed before he b ecame U.S. vice president had far more extensive financial dealings with Iraq than Cheney ha s acknowledged, The Washington Post reported on Saturday ...
06/23/2001	.	.	.	Factiva	UPDATE 1-Cheney oil firm had greater Iraq dealings-Post. WASHINGTON, June 22 (Reuters) - The oilfield services company Dick Cheney headed before he b ecame U.S. vice president had far more extensive financial dealings with Iraq than Cheney ha s acknowledged, The Washington Post reported on Saturday ...
06/23/2001	.	.	.	Factiva	Firm's Iraq Deals Greater Than Cheney Has Said; Affiliates Had$73 Million in Contracts UNITED NATIONS -- During last year's presidential campaign, Richard B. Cheney acknowledged t hat the oil-field supply corporation he headed, Halliburton Co., did business with Libya and Iran through foreign subsidiaries. But he insisted that ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/23/2001	.	.	.	Factiva	Under Cheney, Halliburton's subsidiaries sold parts to Iraq UNITED NATIONS - During last year's presidential campaign, Dick Cheney acknowledged that the oil-field supply corporation he headed, Halliburton Co., did business with Libya and Iran t hrough foreign subsidiaries. But he insisted that he had ...
06/24/2001	.	.	.	Factiva	Cheney hit by Iraq deal row. PRESIDENT George W Bush will face further questions this week about his administration's tie s to big business following fresh disclosures about Vice-President Dick Cheney's term as chi ef executive of Halliburton Co, a Texas oil conglomerate ...
06/24/2001	.	.	.	Factiva	Conservation plan with holes in it We all have our ways of practicing what my blue-blood pal, Cheney Halliburton, calls the per sonal virtue of conservation. But if you want to go that extra kilowatt, if you want to take your personal virtue to the next level, I can recommend ...
06/24/2001	.	.	.	Factiva	AIDES RUSH TO DEFEND VEEP'S IRAQ OIL DEALINGS WASHINGTON - Vice President Dick Cheney's aides scrambled yesterday to explain why his forme r oil-services company, Halliburton, had more extensive dealings with Iraq than he admitted during the campaign. ...
06/24/2001	.	.	.	Factiva	CHENEY FIRM DEALT WITH IRAQ WASHINGTON -- The oilfield services company Dick Cheney headed before he became U.S. vice pr esident had far more extensive financial dealings with Iraq than Cheney has acknowledged, Th e Washington Post reported yesterday. ...
06/24/2001	.	.	.	Factiva	Associates say Cheney knew of Iraq deals Associates say Cheney knew of Iraq deals Actions of Halliburton subsidiaries abroad come und er question By COLUM LYNCH, Washington Post Sunday, June 24, 2001
06/25/2001	3,685,300	$39.590	0.841%	Factiva	POLICIES SIMILAR TO PORTFOLIOS Who wants an ethics investigation? You could start with a peep into Vice President Dick Chen ey's secret sessions with energy industry executives called together these past months to cr aft an energy policy that, surprisingly enough, turned ...
06/26/2001	3,756,700	$41.130	3.890%		
06/27/2001	3,618,300	$38.650	(6.030%)	Factiva	Mermaid Marine - great company on the high seas. In 1991, Mermaid Marine acquired the King's Bay marine base at Dampier in Western Australia. This led to a constant stream of work for its offshore marine services, mainly from Woodsid e Petroleum on the North West Shelf. In June 1999 ...
06/27/2001	3,618,300	$38.650	(6.030%)	Factiva	YEVGENY BULGAKOV APPOINTED VARIEGANNEFTEGAZ GENERAL DIRECTOR. Yevgeny Bulgakov has been appointed general director of Sidanko subsidiary Variegannefteges, the company said in a press release. This decision was reached at a meeting of the Variegan. neftegaz board in Moscow on Saturday, the press release ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
06/27/2001	3,618,300	$38.650	(6.030%)	Factiva	HALLIBURTON BREACHES EMBARGO AND SUPPLIES OIL EQUIPMENT WORTH $73 MILLION TO IRAQ. Halliburton took part in a whole range of deals for supply of oil equipment to Iraq. Through two subsidieries, Halliburton supplied equipment worth $73 million to Iraq. During the elec tion campaign, Cheney denied any contacts of his company ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	Harbison-Walker Asks Halliburton for Asbestos Claims Help DALLAS -(Dow Jones)- Harbison-Walker Refractories Co., which was owned by Halliburton Co. (H AL) unit Dresser Industries, has requested that Dresser provide claims management and financ ial assistance for asbestos claims Harbison assumed when ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	Harbison-Walker Asks Halliburton for Assistance With Asbestos Claims DALLAS, June 28 /PRNewswire/ -- Halliburton Company (NYSE: HAL) today announced that Harbiso n-Walker Refractories Company ("Harbison"), formerly owned by a Halliburton subsidiary, Dres ser Industries, Inc. ("Dresser"), has requested that ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	NEW VARYEGANNEFTEGAZ GENERAL DIRECTOR APPOINTED. The board of directors at Varyeganneftegaz (a Sidanko subsidiary) June 9 appointed Evgeny Bu lgakov, previously head of Halliburton Arkhangelsk Ltd., as general director. ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	Bufete's receivership over in 60 days. Bufete Industrial, Mexican construction giant cut down to size and recently acquired by Grup o Serbo for a symbolic Pesos$1,000, should have its receivership lifted in two months accord ing to new boss and head of Serbo, Sergio Bolanos. A ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	World ranking of oil services groups - table. Table showing world ranking of oil services groups by stock market capitalisation (in $bn) C ompany Stock market capitalisation Schlumberger 31.2 Halliburton 17.6 Baker Hughes 12.4 Weat herford Intl 6.0 BJ Services ...
06/28/2001	4,739,300	$37.170	(3.829%)	Factiva	5 local students earn scholarships Four high school students from Katy and one from Cypress were among 25 recipients of college scholarships from the Halliburton Foundation. The annual scholarships are awarded to childr en of Halliburton employees who demonstrate outstanding ...
06/28/2001	4,739,300	$37.170	(3.829%)	PR News	Harbison-Walker Asks Halliburton for Assistance With Asbestos Claims
06/29/2001	7,630,500	$35.630	(4.224%)	Deutsche Bank Rese	Halliburton Increases Asbestos Reserve. Reiterate Buy, but Renewed Concerns Could Impact Val uation
06/29/2001	7,630,500	$35.600	(4.224%)	Factiva	RESEARCH ALERT-Goldman cuts Halliburton from recommended list. NEW YORK, June 29 (Reuters) - Goldman Sachs said on Friday that it removed Halliburton Co. f rom its list of top recommendations, a day after the oilfield services company formerly head ed by U.S. Vice President Dick Cheney, announced it may ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/01/2001	.	.	.	Factiva	Kessog project. BP has announced the well design and technology team for Kessog, the third North Sea project to be developed under Logic's (Leading Oil and Gas Industry Competitiveness) Satellite Accelerator project. ...
07/01/2001	.	.	.	Factiva	Consortia in battle for RAF tanker fleet deal. The search for a replacement for the RAF's ageing fleet of tanker aircraft has moved a step closer with the delivery of strong bids from two consortia. The competing groups are offering proposals for an air-to-air refuelling service worth ...
07/01/2001	.	.	.	Factiva	Tool continuously samples, monitors formation fluids.(Halliburton Energy Services Div.)(B Typically, the primary focus when using wire-line-conveyed formation testers is to improve the quality of reservoir fluid samples. Through its digital control feedback system, Halliburton says its reservoir description tool (RDT ...
07/01/2001	.	.	.	Factiva	Controlling unwanted water production.(Halliburton Energy Services Div.)(Brief Article) A new polymer system, H2Zero by Halliburton, is providing capabilities for controlling unwanted water production. It has reduced the amount of unwanted water produced from an oil well, by 98%, for Shell UK Exploration and Production. The ...
07/01/2001	.	.	.	Factiva	Shell Bangladesh to test for hydrocarbons.(Shell Bangladesh Exploration and Development)(Shell Bangladesh Exploration & Development B.V. (SBEDB) announced that it will carry out tests in June to confirm possible hydrocarbons in the offshore South Sangu 2 field. According to a Bangladesh state-run oil and gas company ...
07/01/2001	.	.	.	Factiva	Norsk Hydro awards subsea tie-in job.(to Stolt Rockwater)(BriefArticle) Norsk Hydro has awarded a $22-million contract to Stolt Rockwater for subsea tie-in work related to the Vesterled pipe lien project in the Norwegian North Sea. ...
07/01/2001	.	.	.	Factiva	Wellsite sample analysis.(launch of LaserStrat service)(Brief Article) Halliburton Co.'s SperrySun Drilling Services and Westport Technology Center International, in alliance with ChemoStrat Ltd., announced the launch of their LaserStrat service, the industry's first wellsite chemostratigraphy service ...
07/01/2001	.	.	.	Factiva	HALLIBURTON IN TALKS WITH OMAN FIRM ON NEW TUBULAR TECHNOLOGY. MUSCAT July 2, Asia Pulse - US-based Halliburton Worldwide, a provider of products and services to energy companies, is in talks with Petroleum Development Oman (PDO) to implement a new technology called the expandable tubular system, an ...
07/02/2001	5,892,700	$34.150	(4.073%)	Factiva	HALLIBURTON IN TALKS WITH OMAN FIRM ON NEW TUBULAR TECHNOLOGY. MUSCAT July 2, Asia Pulse - US-based Halliburton Worldwide, a provider of products and services to energy companies, is in talks with Petroleum Development Oman (PDO) to implement a new technology called the expandable tubular system, an ...
07/02/2001	5,892,700	$34.150	(4.073%)	Factiva	Halliburton Charge On Asbestos Claims Probable -Analysts DENVER -(Dow Jones)- Halliburton Co. (HAL) is likely to take the $50 million to $60 million charge for asbestos claims it alluded to in a press release late Thursday, according to anal

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					yets. ...
07/03/2001	3,975,400	$34.050	(0.293%)	Factiva	SDS Corporation Limited (SDS.AX) Comparative Operational Performance - Fluid Hammer. Recently, Sperry-Sun Drilling Services Inc, a division of the large US oil and gas services provider, Halliburton, conducted a review of the operational performance of the SDS Fluid Hammer in the Canadian ...
07/03/2001	3,975,400	$34.050	(0.293%)	Factiva	SDS drills ahead. According to a review conducted by Sperry-Sun Drilling Services in the Canadian Rocky Mountains, SDS Corp's Fluid Hammer drills faster than roller cones or air hammers. ...
07/04/2001	.	.	.	Factiva	Russian divers join Aberdeen's Kursk recovery team. A RUSSIAN diving team flew into Aberdeen yesterday to join up with a city team hoping to help raise a sunken Russian submarine. They are to join divers from oil service company Halliburton's bases in Aberdeen to attempt the operation to ...
07/05/2001	7,347,000	$33.940	(0.323%)	Factiva	TYUMEN OIL JOINS U.S. CHAMBER OF COMMERCE. The Tyumen Oil Company (TNK) has become a member of the U.S. Chamber of Commerce. TNK is the first Russian company to become a member of the organization, which includes about 3 million companies. Members include oil companies such as ...
07/06/2001	5,854,700	$33.170	(2.269%)		
07/07/2001	.	.	.	Factiva	Two Men Found Dead In Home * Police are investigating if shooting deaths are both homicides Two men were found dead in a southwest Albuquerque apartment located in the same building as a church, apparently slain by gunshots, Albuquerque police Capt. Gene Halliburton ...
07/08/2001	.	.	.	Factiva	Revived 'Royal Road' the consummate travel tome A few months ago I had dinner with half a dozen people from the travel industry, and our table talk eventually turned to travel books. No fewer than three of my companions praised a book I'd never heard of as an inspiration; one seasoned ...
07/09/2001	4,116,200	$32.800	(1.115%)	Factiva	Calhoun/Miller The marriage of Miss Melissa Ann Miller and Mr. Alton Lee Calhoun Jr. was solemnized June 16 at First Baptist Church of Mandeville, with Pastor Ken Schroeder officiating. A reception followed at Benedict's Plantation. The bride is a ...
07/10/2001	5,189,200	$33.290	1.494%	Factiva	Grant Prideco names Louis Raspino as CFO. HOUSTON, July 10 (Reuters) - Drill pipe maker Grant Prideco Inc. on Tuesday said it has named Louis Raspino as vice president and chief financial officer, succeeding Frances Powell, who recently said she was retiring from the company. ...
07/10/2001	5,189,200	$33.290	1.494%	Factiva	Every Hour Gets Notch Closer to the Refinery. At about five o'clock today we shall know whether Notch Energy consortium got to be a strategic investor, with a 75 percent stake in Rafineria Gdanska. Although yesterday the spokesman

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					of Nafta Polska declared that his company would decide ...
07/10/2001	5,169,200	$33.290	1.494%	Factiva	Grant Prideco Names Louis Raspino Final Chief HOUSTON -(Dow Jones)- Grant Prideco Inc. (GRP) names Louis A. Raspino vice president and chief financial officer, succeeding Frances R. Powell, who recently announced her retirement from the company. ...
07/11/2001	6,043,100	$33.220	(0.210%)	Factiva	New Issue - Halliburton Co. sells $425 in 2-part debt. WHITE PLAINS, N.Y., July 11 (Reuters) - Halliburton Co. , a Dallas, Texas-based provider of energy services, sold $425 million in two-part medium-term notes, said joint ...
07/11/2001	6,043,100	$33.220	(0.210%)	Factiva	BARMAC break up Halliburton Brown & Root and McDermott have formally ended their BARMAC joint venture which operated two Scottish fabrication facilities. KBR Caledonia (Kellogg Brown and Root) is the new owner of the Nigg facility on the Cromarty Firth ...
07/11/2001	6,043,100	$33.220	(0.210%)	Factiva	Halliburton $425 Million of Two-Year and Five-Year Medium-TermNotes DALLAS, July 11 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today the issuance of $275 million of fixed-rate notes due August 1, 2006 and $150 million of floating-rate notes due July 16, 2003. Both of the notes were issued ...
07/11/2001	6,043,100	$33.220	(0.210%)	PR News	Halliburton $425 Million of Two-Year and Five-Year Medium-Term Notes
07/12/2001	5,796,900	$31.770	(4.365%)	Factiva	ENERGY PRESS DIGEST - RUSSIA/CIS - OIL & GAS INDUSTRY, July 12,2001 (PART 1). VEDOMOSTI, July 12 - The TYUMEN OIL COMPANY (TNK) has signed a contract with ELF TRADING S.A. for the supply of 2.9 million tonnes of oil over a period of ten years. Under contract, TNK will supply oil itself and through its subsidiary ...
07/12/2001	5,796,900	$31.770	(4.365%)	Factiva	Rotch Consortium Still Has No Definite Shape. Unofficial sources maintain that the two Polish-owned companies that entered the Rotch Energy consortium, which is about to win the tender for the privatisation of Rafineria Gdanska (RG), may stay out of the transaction. In effect the ...
07/12/2001	5,796,900	$31.770	(4.365%)	Factiva	Tyumen Oil to sell crude as collateral for US Exim loans The Russian Tyumen Oil Co has signed an agreement to supply 2.9-mil mt (21-mil bbl) of crude to Elf Trading over 10 years as collateral for loans guaranteed by the US Export Import Bank. Finalization of the trading deal will allow Exim to ...
07/12/2001	5,796,900	$31.770	(4.365%)	Factiva	Halliburton 2001 Second Quarter Teleconference DALLAS, July 12 /PRNewswire/ -- Halliburton Company (NYSE: HAL) plans to release its 2001 second quarter financial results Wednesday afternoon, July 25, 2001, at 3:00 PM Dallas time (Central Daylight Time). ...
07/12/2001	5,796,900	$31.770	(4.365%)	Factiva	TNK to Get Credit to Rehabilitate Samotlor Deposit. The TYUMEN OIL COMPANY (TNK) has signed a contract with ELF TRADING S.A. for the supply of 2.9 million tonnes of oil over a period of ten years. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/12/2001	5,796,900	$31.770	(4.365%)	PR News	Halliburton 2001 Second Quarter Teleconference
07/13/2001	4,963,000	$32.150	1.196%	Factiva	Qatar awards $535 mln project to Germany's Krupp. DOHA, July 13 (Reuters) - Qatar Fertilisers Co. (Qafco) said Friday it has signed up Germany 's Krupp Uhde GmbH to build a $535 million plant to expand its capacity. ...
07/13/2001	4,963,000	$32.150	1.196%	Factiva	OIL HIGH ON AGENDA As BUSH MEETS ALGERIAN LEADER Pres Bush meets with Abdelaziz Bouteflika in first visit of an Algerian head of state to Whi te House in 16 years; visit comes on heels of massive protests in Algeria challenging Boutef lika government over economic hardships and ...
07/16/2001	4,605,800	$30.400	(5.443%)	Factiva	Lakes' Gippsland hopes high. Oil and gas exploration company Lakes Oil is optimistic of producing hydrocarbons from onsho re Gippsland. The 50-year old company hopes to succeed where others have failed, in producin g gas from the onshore equivalent of the Bass Strait ...
07/16/2001	4,605,800	$30.400	(5.443%)	Factiva	Good Times Fail To Attract Skills To The Oil Patch. Whenever good times return to the oil patch, one lament threatens to dampen the rejoicing: C ompanies can't find enough geoscientists, petroleum engineers, roughnecks, drilling superint endents, and other skilled or technical personnel. The ...
07/16/2001	4,605,800	$30.400	(5.443%)	Factiva	Grant Prideco Inc.(Brief Article) Louis Raspino will replace Frances Powell as vice-president and chief financial officer of G rant Prideco Inc. Prior to his new position Raspino was vice-president of finance for Hallib urton Company.
07/16/2001	4,605,800	$30.400	(5.443%)	Factiva	Just add spice PEPPER SOUP . Rachel Halliburton EFOSA Ebowe's light-hearted, poetic and irreverent explorat ion of black identity provides an entertaining yet insubstantial assessment of the way in wh ich black people define themselves against a white ...
07/17/2001	5,059,600	$30.660	0.855%	Deutsche Bank Rese	Lowering Estimates But Highlighting Some North America Names For Attractive Valuations
07/17/2001	5,059,600	$30.660	0.855%	Factiva	Halliburton Business Unit Holds Crucial Role in Australian RailProject Sod-Turning Event Marks Start of Construction ADELAIDE, Australia, July 17 /PRNewswire/ -- H alliburton Company's (NYSE: HAL) Kellogg Brown & Root (KBR) business unit today reported tha t construction work on the Alice Springs - Darwin rail ...
07/17/2001	5,059,600	$30.660	0.855%	Factiva	If energy sources are clean, Bush team isn't interested Once again, the Bush White House is behaving not as if it leads the free world but rather as if it is an offshoot of Halliburton, the oil services company formerly run by Vice Presiden t Dick Cheney. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/17/2001	5,059,600	$30.660	0.855%	Factiva	Russia: Tyumen Oil Company opens the way for a $27¢ mil loan under guarantees from US Exi Russian Federation: Tyumen Oil Company (TNK) (Russia) has signed an agreement on oil supplie e with Elf Trading SA (Switzerland), which opens the way for a $27¢ mil loan under guarantee e from US Eximbank (USA). The loan will be used to ...
07/17/2001	5,059,600	$30.660	0.855%	Factiva	Shares of oil-service giants droop Shares of Halliburton Co., Schlumberger Ltd. and Baker Hughes, the three largest U.S. oil-se rvice companies, fell to 52-week lows Monday as the prices of natural gas and oil fell.
07/17/2001	5,059,600	$30.660	0.855%	Factiva	Man crushed by pipe identified LYSITE, Wyo. (AP) - A man killed in an industrial accident west of Lysite has been identifie d as Delbert Bailey of Casper. Bailey, 43, an employee of Halliburton Services, was killed l ast Friday when he was hit by two large pieces of pipe ...
07/17/2001	5,059,600	$30.660	0.855%	PR News	Halliburton Business Unit Holds Crucial Role in Australian Rail Project
07/18/2001	6,669,400	$31.010	1.142%	Factiva	Faith pays off for NT. Chief Minister Denis Burke yesterday thanked Territorians for their faith in the project. He said giant American corporation Halliburton had stuck with the project even after the withd rawal of about $70 million from John Hancock Investments ...
07/18/2001	6,669,400	$31.010	1.142%	Factiva	CANCOIL INTEGRATED SERVICES INC - Signing of Alliance AgreementWith Halliburton Energy Se Vancouver, BC, Jul 18, 2001 (Market News Publishing via COMTEX) - Cancoil Integrated Service s Inc. and its subsidiary in the U.S., Technicoil Integrated Services Inc. (Cancoil), are pl eased to announce that they have finalized an Alliance ...
07/18/2001	6,669,400	$31.010	1.142%	Factiva	Cancoil Integrated Services Inc. Announces Signing of AllianceAgreement with Halliburton NEWS RELEASE TRANSMITTED BY CCN NEWSWIRE - A SERVICE OF ITG CALGARY, ALBERTA--Cancoil Integr ated Services Inc. and its subsidiary in the U.S., Technicoil Integrated Services Inc. (Canc oil), are pleased to announce that they have finalized ...
07/19/2001	4,260,000	$31.550	1.741%	Factiva	Cancoil Integrated Services Inc - Cancoil finalizes alliance agreement with Halliburton Mr. Arthur Dumont reports Cancoil Integrated Services and its subsidiary in the United State s, Technicoil Integrated Services Inc. (Cancoil), have finalized an alliance agreement with Halliburton Energy Services formalizing the previously ...
07/19/2001	4,260,000	$31.550	1.741%	Factiva	OSHA investigating incident that killed two, injured five BUFFALO, Texas (AP) - Two critically injured men remained hospitalized Thursday as investiga tors looked into what caused a natural gas well blowout that killed two co-workers. ...
					Halliburton 2Q01 Third Quarter Dividend DALLAS, July 19 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that its boa rd of directors has declared a 2001 third quarter dividend of 12.5 cents a share on the comp any's common stock payable September 27, 2001 to ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/19/2001	4,260,000	$31.550	1.741%	Factiva	Halliburton Co. Declares 12.5c Regular Qtrly Div Pay Sept. 27/ record Sept. 6 03:50 PM
07/19/2001	4,260,000	$31.550	1.741%	Factiva	Bridging the gap Fifteen-year-old North Shore High School student Preethy Koshy, left, Vanessa Martinez, 15, of MacArthur High School, and Justina Cancel, 15, of North Shore, work together to build a b ridge at the Halliburton-University of Houston Downtown ...
07/19/2001	4,260,000	$31.550	1.741%	PR Newswire	Halliburton 2001 Third Quarter Dividend
07/20/2001	4,941,900	$33.740	6.941%	Factiva	OSHA investigating incident that killed two, injured five BUFFALO, Texas (AP) - Investigators will look into what caused a natural gas well blowout th at killed two workers, although there is no indication that poor training or inattention to safety played any role in the tragedy. ...
07/20/2001	4,941,900	$33.740	6.941%	Factiva	Texas Today BUFFALO, Texas (AP) - Investigators will look into what caused a natural gas well blowout th at killed two workers, although there is no indication that poor training or inattention to safety played any role in the tragedy. ...
07/20/2001	4,941,900	$33.740	6.941%	Factiva	Upgrades & Downgrades: UBS Warburg Puts A Buy on Halliburton ALLAN CHERNOFF, CNNfn ANCHOR, MARKET CALL: Let's check our "Upgrades & Downgrades", right no w. Earlier on "Market Call," we did hear from Salomon Smith Barney, which is making two big calls this morning. ...
07/20/2001	4,941,900	$33.740	6.941%	Factiva	Well Incident Kills Two. Two Halliburton employees were killed and five were injured at a natural gas well in East Te xas when pressure and sand built up in a fracturing pressure bleed-off tube, whipping the 2 1/2-inch steel tube into the crew. ...
07/20/2001	4,941,900	$33.740	6.941%	Factiva	Texas oil well blast kills two A blast July 18 at an East Texas oil well killed two workers and critically injured five oth ers, UPI reported, citing a Texas Department of Public Safety dispatcher. The crew was worki ng with the wellhead during a drilling operation when ...
07/23/2001	3,236,300	$33.640	(0.296%)	Factiva	HALLIBURTON ISSUES $425 MILLION OF MEDIUM-TERM NOTES Halliburton Co. (NYSE: HAL) issued $275 million of fixed-rate notes due Aug. 1, 2006, and $1 50 million of floating-rate notes due July 16, 2003, under its medium-term note program. J.P . Morgan and Salomon Smith Barney were joint lead ...
07/23/2001	3,236,300	$33.640	(0.296%)	Factiva	OFS Portal LLC. Houston, has named its first board of managers, responsible for directing the strategies, po licies, and affairs of the company Members of the board are William A. Le Sage, CEO of OFS P ortal; David A. Armour, director of e-business for Enesco ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/24/2001	2,627,500	$32.440	(3.567%)	Factiva	Oil Industry, POSC and Government Collaborate On Well Data Standards Using XML HOUSTON--(BUSINESS WIRE)--July 24, 2001--POSC, an international member consortium focused on leveraging eBusiness and Internet technology for the energy industry, recently announced th at a number of key players from the European oil ...
07/24/2001	2,627,500	$32.440	(3.567%)	Factiva	Latest Asbestos Mess Could Cost Halliburton $60 Million. Halliburton, the world's largest oil-field services company, may be required to take a charg e of $50 million to $60 million against its earnings this year to cover legal claims related to the use of asbestos made against a former subsidiary ...
07/24/2001	2,627,500	$32.440	(3.567%)	SunTrust Robinson	HAL: Reducing Estimates
07/25/2001	4,537,000	$34.250	5.580%	CIBC World Markets	HAL: Higher 3Q01 EPS Guidance Makes Bullish Management A Maverick
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton operating earnings more than double. HOUSTON, July 25 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, on Wednesday said second-quarter earnings from continuing operations more than doubled as o. l and gas companies stepped up their drilling activity ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	UPDATE 1-Halliburton operating earnings more than double. HOUSTON, July 25 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, on Wednesday said its second-quarter earnings from continuing operations more than doubled a s oil and gas companies stepped up their drilling ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton, Schlumberger rise sharply amid oil boom prices. HOUSTON, July 25 (Reuters) - The world's two largest oilfield service companies, No. 1 Halli burton Co. and No. 2 Schlumberger, reported strong second-quarter earnings on Wednesday tha t reflected the world-wide drilling boom prompted by ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Oilfield company results up with oil, gas prices. HOUSTON, July 25 (Reuters) - The world's two largest oilfield service companies, No. 1 Halli burton Co. and No. 2 Schlumberger, reported strong second-quarter earnings on Wednesday that reflected the worldwide drilling boom prompted by ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton sees Q3 earns per share of 42/43 cents. HOUSTON, July 25 (Reuters) - Oilfield services company Halliburton Co. said on Wednesday it expects earnings per share of about 42 or 43 cents for the third quarter of 2001 ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton appoints new CFO. HOUSTON, July 25 (Reuters) - Halliburton Co., the world's No. 1 oilfield services company, on Wednesday said Douglas L. Foshee, 47, has been named executive vice president and chief f inancial officer effective Aug. 6, 2001. ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton earnings nearly triple on more oil and gas drilling DALLAS (AP) - Oilfield-services leader Halliburton Co. said Wednesday its profit nearly trip led as oil and gas companies increased their drilling activity to take advantage of higher p

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					rices. ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton second-quarter profits surge on drilling activity,Dresser sale DALLAS (AP) - Second-quarter profits at oil field-services leader Halliburton Co. soared as oil and gas companies increased their drilling activity to take advantage of higher prices. ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Newscast: Squawk Box, 7:00 AM; today's business news MARK HAINES, anchor: Morning, everyone. I'm Mark Haines. You're watching CNBC's SQUAWK BOX. On the BOX, it is Wednesday, July 25th. The earnings parade continues unabated. SQUAWK BOX h as it covered: COO of Mitchell Energy joins us with ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton oilfield service firm's profits surge on drilling activity, sale DALLAS (AP) _ Second-quarter profits at oilfield services leader Halliburton Co. soared as o il and gas companies increased their drilling activity to take advantage of higher prices. . ..
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton Names Foshee Executive Vice President and CFO DALLAS, July 25 /PRNewswire/ -- Halliburton Company (NYSE: HAL) today announced that Douglas L. Foshee, 42, has been named the company's executive vice president and chief financial of ficer effective August 6, 2001. ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton 2Q Profits Surge DALLAS (AP) - Second-quarter profits at oil field-services leader Halliburton Co. soared as oil and gas companies increased their drilling activity to take advantage of higher prices. ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton Names Foshee Fincl Chief DALLAS -(Dow Jones)- Halliburton Co. (HAL) named Douglas L. Foshee chief financial officer a nd executive vice president, effective Aug. 6. Halliburton said in a press release Wednesday that Foshee, 42 years old, replaces Gary Morris who ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	Halliburton Co. 2Q Net Cont Ops 33c/Share Halliburton Co. - Dallas 2nd Quar June 30: 2001 2000 Revenues $3,339,000,000 $2,868,000,000 Inc cont op 143,000,000 52,000,000 Inc dis op a 239,000,000 ...
07/25/2001	4,537,000	$34.250	5.580%	Factiva	UPDATE 1-Halliburton, Schlumberger post strong Q2 earnings. HOUSTON, July 25 (Reuters) - The world's two largest oilfield service companies, No. 1 Halli burton Co. and No. 2 Schlumberger , reported higher second-quarter earnings on Wednesday, re flecting strong oil and gas drilling activity which they ...
07/25/2001	4,537,000	$34.250	5.580%	First Global	Halliburton Company : Book Profits around $40
07/25/2001	4,537,000	$34.250	5.580%	PR News	Halliburton Names Foshee Executive Vice President and CFO

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/25/2001	4,537,000	$34.250	5.580%	PR News	Halliburton Company Second Quarter Revenues and Earnings Continue to Soar
07/25/2001	4,537,000	$34.250	5.580%	SunTrust Robinson	HAL: Outlook Accelerating Near Term; Raising to BUY Rating
07/26/2001	6,659,300	$35.500	3.650%	ABN AMRO Global Re	Halliburton Company: International Stength Drives Upside Surprise
07/26/2001	6,659,300	$35.500	3.650%	Deutsche Bank Rese	Q2 Earnings Higher Than Expected; Raising Ests, but Maintaining 2002 Ests, Target Price and Strong Buy Rating Because of Rapidly Improving Fundamentals
07/26/2001	6,659,300	$35.500	3.650%	Deutsche Bank Rese	Q2 Earnings Higher Than Expected, Led by HES, Raising Est and Target Price, Reiterate Buy Rating
07/26/2001	6,659,300	$35.500	3.650%	Factiva	PRICE TARGET CHANGES: SWS Securities SWS Securities changed its price targets on the following stocks Thursday. Company Name Symbol New Target Old Target Current Timespan Price Price Price INCREASES: Matrix Healthcare ...
07/26/2001	6,659,300	$35.500	3.650%	Factiva	EARNINGS BRIEFS Halliburton DALLAS - Halliburton said second-quarter profit more than doubled because big oil and natural-gas companies spent more on exploration and production. Profit from continuing operations rose to $143 million, or 33 cents a share ...
07/26/2001	6,659,300	$35.500	3.650%	Factiva	Results Are Strong At Halliburton Co. And Schlumberger Giant energy-services companies Schlunberger Ltd. and Halliburton Co., riding a wave of higher natural-gas drilling in North America and improving international operations, posted second-quarter results from their oil-field services ...
07/26/2001	6,659,300	$35.500	3.650%	Factiva	Halliburton Reports 175-Percent Increase in Income Oilfield services firm Halliburton Co. reported Wednesday that second-quarter income from continued operations soared by 175 percent as its customers rushed to take advantage of health y oil and natural gas prices. ...
07/26/2001	6,659,300	$35.500	3.650%	Factiva	Halliburton Company Raises Q3 Guidance-Reuters Date Announced: 20010725 Reuters reported that Halliburton Company expects to report earning s per share of about 42 or 43 cents for the third quarter of 2001. Analysts had expected the Company to earn 38 cents per share, according to ...
07/26/2001	6,659,300	$35.500	3.650%	Factiva	Halliburton Company Names Chief Financial Officer Date Announced: 20010725 Halliburton Company announced that Douglas L. Foshee has been named the Company's Executive Vice President and Chief Financial Officer effective August 6, 2001

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/26/2001	6,659,300	$38.500	3.650%	Factiva	Halliburton, Schlumberger say profits are strong The world's two largest oil-field service companies, No. 1 Halliburton Co. and No. 2 Schlumberger, reported strong second- quarter earnings Wednesday that reflected the worldwide drilling boom prompted by bullish oil and natural gas prices. ...
07/26/2001	6,659,300	$35.500	3.650%	Johnson Rice & Com	HAL - Impressive Q2 oilfield results, E&C outlook strengthening
07/26/2001	6,659,300	$35.500	3.650%	RBC Capital Market	HAL:N-/HALLIBURTON 2001 EPS EXCEEDS EXPECTATIONS
07/26/2001	6,659,300	$35.500	3.650%	Southwest Securiti	HAL-NYSE/HAL SHARES UPGRADED FROM ACCUMULATE TO BUY.
07/27/2001	3,532,000	$36.100	1.690%	Capital One Southc	HAL: 2Q RESULTS/ INCREASING 2001 ESTIMATES
07/27/2001	3,532,000	$36.100	1.690%	Factiva	US companies dominate ranking of oil services groups - table. The following table shows the world's leading oil services companies by stock market capitalisation (at 25 July 2001). Company Stock market capitalisation ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	Halliburton may have to take asbestos charge. US oil field service giant Halliburton may have to take a $50 million-$60 million charge against earnings this year to cover legal claims related to asbestos use made against a former subsidiary, Harbison-Walker Refractories. That could cut ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	Polish Partners Leave Rotch Energy Consortium. The number of Polish partners in the Rotch Energy consortium decreased. Among them is Kredyt Bank, one of its key partners interested in the purchase of 75 percent of the Rafineria Gdanska (RG) shares. Analysts claim that one of the reasons ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	Investigators eye pipe blast. Two Halliburton employees injured in a well explosion last Wednesday in south-east Texas remained hospitalised in critical condition this week. Halliburton is working with authorities to investigate the incident, which killed two other ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	Top 3 Service Firms Prosper From Drilling Rush. The top three service companies - Halliburton, Schlumberger, and Baker Hughes - all reported jumps in operating profits during the second quarter, although Schlumberger was hampered by a $93.3 million loss from a charge to account for ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	Personnel. Halliburton Names Foshee Halliburton said Douglas L. Foshee has been named executive vice president and chief financial officer effective Aug. 6. ...
07/27/2001	3,532,000	$36.100	1.690%	Factiva	INTERNATIONAL PEOPLE - FT Global 500 Halliburton. * Halliburton has named Douglas Foshee, 42, executive vice-president and chief financial officer. He was chairman, president and chief executive of Nuevo Energy.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
07/27/2001	3,532,000	836.100	1.690%	Factiva	INTERNATIONAL PEOPLE - FT Global 500 Halliburton. Halliburton has named Douglas Foshee, 42, executive vice-president and chief financial officer. He was chairman, president and chief executive of Nuevo Energy.
07/27/2001	3,532,000	836.100	1.690%	Factiva	Energy giants see profits leap. A CROP of US energy service majors, employing more than 10,000 people in Scotland between them, have filed mid-term 2001 results showing rocketing profits, though there is concern that the pace can only be maintained for as long as oil ...
07/27/2001	3,532,000	836.100	1.690%	Factiva	Halliburton deals could secure Caithness jobs. HOPES are high that oil services giant Halliburton can secure the future of 200-250 jobs for at least the next two years at its Caithness pipeline bundles fabrication yard in the North of Scotland, without the need for short-term lay-offs. ...
07/28/2001	.	.	.	Factiva	Former seismic vessel ready for ROV action. ROV supervisor Bob Beatow with Halliburton's latest charter at Aberdeen Harbour. Peter Anderson with pic Mark Drever HALLIBURTON'S latest remotely operated vehicle (ROV) survey and inspection vessel arrived in Aberdeen Harbour yesterday. ...
07/28/2001	.	.	.	Factiva	Neighbors Shaken In Drug Raid Seconds after Ann Halliburton woke Wednesday to the sound of a crash - her front door being smashed open - police officers rushed into her bedroom, pointed guns in her face and handcuffed her. ...
07/30/2001	3,669,600	836.450	0.970%	Factiva	STOCKWINNERS.com Announces Investment Opinion: Recent STOCKWINNERS.com Option Picks Avera BIRMINGHAM, Ala.--(BUSINESS WIRE)--July 30, 2001--Selections featured in recent STOCKWINNERS.com http://www.STOCKWINNERS.com Option Picks postings registered an average short-term gain of 50 percent. The equities research firm addressed the ...
07/30/2001	3,669,600	836.450	0.970%	Factiva	Sperry-Sun's MWD system cuts drilling time, provides $660,000 EVC. California--Berry Petroleum was faced with the challenge of reducing drilling costs in its shallow horizontal wells located in Kern County. Typically, the rigs on these wells have dual ram pumps that make it inefficient to transmit ...
07/30/2001	3,669,600	836.450	0.970%	Factiva	Security DBS uses its F.A.S.T. (R) Matrix PDC bit to reduce drilling costs by over 50%, p Louisiana--The Devon Energy Corporation recently approached Security DBS with the challenge of reducing drilling time and costs for its A.S. Senor SA-16 well. This directional gas well located in St. Mary's Parish on the South Louisiana ...
07/30/2001	3,669,600	836.450	0.970%	Factiva	Halliburton.(Douglas Foshee)(Brief Article) Douglas Foshee has been appointed chief financial officer of oil field services company Halliburton. Foshee replaces Gary Morris, who will remain executive vice-president of engineering and construction.

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07/30/2001	3,669,600	$36.450	0.970%	Factiva	Family sues Halliburton for information about accident TYLER, Texas (AP) - The family of a man killed in a natural gas well blowout filed suit agai nst Halliburton Energy Services Inc. Monday in an attempt to gain more information about his death. ...
07/30/2001	3,669,600	$36.450	0.970%	Hornblower Fischer	Trading Ideas USA 30.07.2001
07/31/2001	2,901,200	$35.010	(3.951%)	Factiva	Halliburton Co. HALLIBURTON Co. (Dallas) -- Douglas L. Foshee was named executive vice president and chief f inancial officer of this oil-services company, succeeding Gary Morris. Mr. Foshee, 42 years old, was chairman, president and chief executive of ...
07/31/2001	2,901,200	$35.010	(3.951%)	Factiva	Ehime Maru recovery operation nears HONOLULU (AP) - A giant construction support ship is due to arrive in Honolulu Harbor on Wed nesday to take part in the planned recovery of a Japanese fishing boat sunk by a U.S. submar ine. ...
07/31/2001	2,901,200	$35.010	(3.951%)	Factiva	Ehime Maru recovery operation nears HONOLULU (AP) - A giant construction support ship was due to arrive in Honolulu Harbor on We dnesday to take part in the planned recovery of a Japanese fishing boat sunk by a U.S. subma rine. ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Technology - Wellsite chemostratigraphy service. Halliburton's Sperry-Sun Drilling Services and Westport Technology Center International, in alliance with Chemostrat, have launched LaserStrat(TM) - a wellsite chemostratigraphy servic e. ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD. - Penetrated the Well Boreof the Harvester #1-25 Well INTERNATIONAL BROOKS PETROLEUM LTD. - Penetrated the Well Bore of the Harvester #1-25 Well - to a Total Depth of 14,262', Vancouver, BC, Aug 01, 2001 (Market News Publishing via COMTEX) - The Company is pleased to announce that it has ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Sivinski Tapped as EDS Vice President EDS has named Tina M. Sivinski vice president of its global energy industries group. In that role, she will oversee the company's growing business relationships in the oil and gas, che mical, utilities and mining industries. ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Subsea pig launcher does not require production halt.(GD Engineering)(Brief Article) Halliburton Subsea has teamed up with GD Engineering, a UK-based pipeline pigging system spe cialist, to offer the offshore industry a new subsea pig launcher (SPL) for use in deepwater applications. The alliance provides oil and gas field ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Production of unwanted water substantially reduced.(Brief Article) A North Sea well, originally drilled in July 1984, was completed as a sidetrack of the origi nal well in August 1999. Initial production rates from the sidetrack were as high as 25,000 b/d, with minimal water cut. However, three months later ...

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08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Sonic measurement option.(Brief Article) An acoustic reservoir measurement choice for deepwater and ultra-deepwater has been develope d by Halliburton Energy Services. The wireline tool, known as WaveSonic (TM) and the 4 3/4-i n. Bi-modal AcousTic (BAT (TM)) logging while-drilling ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Sand control for Enterprise in Brazil.(services for Bijupira and Salema oil fields)(Brief The sand control equipment and services for the deepwater development of the Bijupira and Sa lema fields offshore Brazil will Be implemented by Halliburton. The development project will oe the first to be operated by an international oil ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Visualization technology combined with real-time modeling.(Michael Zeitlin)(Brief Article Michael Zeitlin, Chairman 4 CEO of Magic Earth, an innovative seismic visualization house, w as interviewed by Victor Schmidt, Offshore's Exploration Editor during the EAGE Conference i n Amsterdam in June. ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Why the White House drives its CEOs crazy Vice President Dick Cheney is not known as Washington's wittiest after-dinner speaker. But n ot long ago, he offered this pithy assessment of why, after a career as White House Chief of Staff, Wyoming Congressman, and Defense Secretary ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Icon seeks US partnership. A COMPANY that operates oil-well services internationally is looking at becoming a partner i n an oil and gas search being mounted in the US by Robina-based listed company Icon Energy. ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	International Brooks Petroleum Ltd - Int'l Brooks penetrates Harvester wellbore Mr. Albert Raponi reports The company has penetrated the wellbore of the Harvester No. 1-25 well to a total depth of 14,242 feet. Accordingly, logging of the Temblor, Vedder and Krayen hagen formations has been scheduled for Aug. 6, 2001. As ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	EDS Selects Tina M. Sivinski to Lead Global Energy Industries Group PLANO, Texas, Aug. 1 /PRNewswire/ -- EDS (NYSE: EDS) today named Tina M. Sivinski vice presi dent of its Global Energy Industries Group. In that role, she will oversee the company's gro wing business relationships in the oil and gas ...
08/01/2001	4,695,000	$34.450	(1.600%)	Factiva	Halliburton Energy Services.(installs Retrievable MultilateralSystem)(Brief Article) Halliburton Energy Services recently completed the first small-diameter, 3 1/4-in. Retrievab le Multilateral System (RMLS) in Canada. The TAML Level 4 RMLS window installation has the c apability to optimize reservoir management, improve ...
08/02/2001	3,049,700	$35.490	3.019%	Factiva	CANCOIL INTEGRATED SERVICES INC - Releases Second Quarter 2001Report (Part Two of Two) Vancouver, BC, Aug 02, 2001 (Market News Publishing via COMTEX) - After a strong start in Ja nuary 2001, Cancoil's utilization rates dropped in February and March due to spring break-up in Canada and customer project delays. On April 1st ...
08/02/2001	3,049,700	$35.490	3.019%	Factiva	HALLIBURTON COMPANY - Landmark Canada Opens New Visualization Center for Customers - Coll HALLIBURTON COMPANY - Landmark Canada Opens New Visualization Center for Customers - Collabo rative Visualization Center Provides Significant Advantages - to Customers. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/02/2001	3,049,700	$35.490	3.019%	Factiva	Landmark Canada Opens New Visualization Center for Customers; Collaborative Visualization DALLAS--(BUSINESS WIRE)--Aug. 2, 2001--Landmark Graphics Corp., a wholly owned business unit of Halliburton Company (NYSE:HAL), today announced the opening of the Landmark CAFE(TM) (Collaborative Application Fusion Environment), a new ...
08/02/2001	3,049,700	$35.490	3.019%	Factiva	Cancoil Integrated Services Inc - Cancoil earns 3.9 cents per share in Q2 Mr. Arthur Dumont reports After a strong start in January, 2001, Cancoil's usage rates dropped in February and March due to spring breakup in Canada and customer project delays. On April 1, Cancoil began delivering its coil tubing service ...
08/02/2001	3,049,700	$35.490	3.019%	Factiva	Halliburton Company's Landmark Graphics Corp. Opens New Visualization Center for Customer Date Announced: 20010802 Landmark Graphics Corp., a wholly owned business unit of Halliburton Company, announced the opening of the Landmark CAFE (Collaborative Application Fusion Environment), a new center for collaborative visualization. ...
08/03/2001	2,372,700	$35.160	(0.930%)	Factiva	Halliburton looks for EMC out. Marine construction contractor Saipem has confirmed it is in talks with Halliburton to discuss the future of the duo's European Marine Contractors joint venture. The talks are rumoured to be centred on a Saipem-proposed buy-out of the ...
08/04/2001	.	.	.	Factiva	Dallas-Based Oilfield Services, Engineering firm to Erect Buildings in Houston Halliburton Co. is moving thousands of its employees to west Houston, where it will erect three sizable office buildings on its own corporate campus. ...
08/04/2001	.	.	.	Factiva	Halliburton goes west in Houston / Thousands of workers to moveafter towers built Halliburton Co. is moving thousands of its employees to west Houston, where it will erect three sizable office buildings on its own corporate campus.
08/06/2001	1,729,200	$35.300	0.398%	Factiva	NEWS IN BRIEF. AUSTIN, TX: TotalAustin will help reposition Dresser, a Dallas energy transportation company that spun off from Halliburton in April, and will work for its Dresser Wayne division which makes fuel dispensers and point-of-sale systems. The ...
08/06/2001	1,729,200	$35.300	0.398%	Factiva	HALLIBURTON RUNS TALKS WITH SOCAR TO REFURBISH SHIP "GURBAN ABBASOV". Halliburton runs talks with Socar to refurbish crane ship, owned by Socar's productive unit "Caspmornefteflot". As to Socar, talks are under preliminaty stage and Halliburton studies technical positions, related to 600-ton ship "Gurban ...
08/06/2001	1,729,200	$35.300	0.398%	Southwest Securiti	OILFIELD SERVICES WEEKLY
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Dresser, Inc. Reports Second Quarter Financial Results DALLAS, Aug. 7, 2001 (PRIMEZONE) -- Dresser, Inc. today announced financial results for the second quarter ended June 30, 2001. The Company recorded revenues of $373.4 million for the

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					quarter, compared to $356.0 million for the same ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Fort Worth Star-Telegram, Texas, Real Estate Column A prime 71-acre tract just south of Interstate 20 in south Arlington, once earmarked as a fu ture office-campus site for Dallas-based Halliburton Co., has been sold to a partnership hea ded by Waxahachie investor Bryan Dorsey. ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Investor buys Halliburton site in Arlington A prime 71-acre tract just south of Interstate 20 in south Arlington, once earmarked as a fu ture office-campus site for Dallas-based Halliburton Co., has been sold to a partnership hea ded by Waxahachie investor Bryan Dorsey. ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Docent Licenses eLearning Software to Halliburton, Becoming Docent's Latest Fortune Glob MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--Aug. 7, 2001-- Halliburton Complements Impressive Do cent Customer List, Which Also Features Four of Five Largest Energy Companies in World ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Weatherford Intl Buys Some Assets From Halliburton Co HOUSTON -(Dow Jones)- Weatherford International Inc. (WFT) has acquired the artificial lift assets of Axelson and Guiberson Well Service from Halliburton Co. (HAL) for undisclosed amou nt. ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Weatherford Acquires Axelson and Guiberson Well Service - Expands Reciprocating and Hydraulic Artificial Lift Systems Capabilities HOUSTON, Aug. 7 / PRNewswire/ -- Weatherford International, Inc. (NYSE: WFT) today announced that the company has acquired the artificial lift assets of Axelson and ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Weatherford International, Inc. Acquires Axelson and GuibersonWell Service Date Announced: 20010807 Weatherford International, Inc. announced that it has acquired the artificial lift assets of Axelson and Guiberson Well Service from Halliburton Company. Axels on is involved in the design, manufacturing and ...
08/07/2001	2,500,500	$35.360	0.170%	Factiva	Weatherford International, Inc. Acquires Axelson and GuibersonWell Service From Halliburt Date Announced: 20010807 Weatherford International, Inc. announced that it has acquired the artificial lift assets of Axelson and Guiberson Well Service from Halliburton Company. Terms of the transaction were not disclosed.
08/08/2001	2,953,200	$33.500	(5.260%)	Factiva	ASDAR GROUP - Completes Harvester No. I-25 Re-Entry And BeginsLogging. New York, New York, Aug 08, 2001 (Market News Publishing via COMTEX) -- Asdar Group reports t hat the well bore of the Harvester no. I-25 has been penetrated to a total depth of 14,242 f eet. Logging of the Temblor, Vedder and Kreyenhagen ...
08/08/2001	2,953,200	$33.500	(5.260%)	Factiva	Quark Biotech, Inc. -- QBI -- Appoints Boaz Laor as President of U.S. Operations; QBI Als CLEVELAND--(BW HealthWire)--Aug. 8, 2001--Quark Biotech, Inc. (QBI), announced today the app ointment of Boaz Laor as President of U.S. Operations. Mr. Laor will oversee all business an d research activities at QBI's new headquarters located ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/08/2001	2,953,200	$33.500	(5.2604)	Factiva	Asdar Completes Harvester No. I-25 Re-Entry And Begins Logging VANCOUVER, British Columbia--(BUSINESS WIRE)--Aug. 8, 2001--Asdar Group (XBCT: OTC BB) repor ts that the well bore of the Harvester no. I-25 has been penetrated to a total depth of 14,2 42 feet. Logging of the Tenblor, Vedder and Kreyenhagen ...
08/08/2001	2,953,200	$33.500	(5.2604)	Factiva	Weatherford gets Halliburton units Halliburton Co. - Guiberson - Axelson - Weatherford International Inc. Houston oil services firm Weatherford International Inc. said Tuesday it was acquiring the Axelson and Guiberson well service units from Halliburton Co. of Dallas for ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	Halliburton stock down as asbestos liability rises. HOUSTON, Aug 9 (Reuters) - Halliburton Co , the world's No. 1 oilfield services firm, saw it s stock fall 4.5 percent on Thursday after the company released information showing a sharp increase in its asbestos litigation liability. ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	Business Profile. Ian Phillips vice-president of project development, Ramco RAMCO Energy has expanded its oil and gas team with the appointment of Ian Phillips as vice-president of project development. Phillips joins the Aberdeen-based company from ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	MICRO MINING TECHNOLOGIES LTD - Updates on AOP Technology Project. Vancouver, BC, Aug 09, 2001 (Market News Publishing via COMTEX) - Micro Mining is pleased to update the project with Halliburton Energy Services, a business unit of Halliburton Company (NYSE:HAL), that data received during laboratory ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	Micro Mining Technologies Ltd. Updates on AOP Technology Project CDNX: MMI CALGARY, Aug. 9 /CNW/ - Micro Mining is pleased to update the project with Hallibu rton Energy Services, a business unit of Halliburton Company (NYSE:HAL), that data received during laboratory optimization meets Alberta Environment ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	Micro Mining Technologies Ltd - Micro Mining data meets environment Tier 1 requirements Ms. Gloria Miller reports Micro Mining has provided an update on the project with Halliburto n Energy Services, a business unit of Halliburton Company, that data received during laborat ory optimization meets Alberta environment Tier 1 ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	International Brooks Petroleum Ltd - Int'l Brooks' Harvester No. 1-25 logging completed Mr. Albert Raponi reports Logging of the Harvester No. 1-25 well, located in Kings county, C alifornia, has been completed. Halliburton Energy Services was engaged to log the well using its reservoir monitoring tool, known as the RMT Elite ...
08/09/2001	5,756,400	$32.000	(4.478%)	Factiva	Halliburton Sued By Former Unit Over Asbestos Claims Fact DJ CFA SOURCE:SEC 10-Q ISSUER: HALLIBURTON CO. SYMBOL: HAL QUARTER ENDED: 06/30/2001 SEC REC EIVED: 08/09/2001 WASHINGTON -(Dow Jones)- Harbison-Walker Refractories Co., which was owned by Halliburton Co. (HAL) unit Dresser ...
08/10/2001	5,404,200	$31.500	(1.563%)	A.G. Edwards & Son	Halliburton - Net Liability for Asbestos Claims Rises - More Complex Situation Appears Manag eable But Uncertainty Increases

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/10/2001	5,404,200	$31.500	(1.563%)	Factiva	Halliburton seen weathering asbestos claims. HOUSTON, Aug 10 (Reuters) - Asbestos-liability claims against Halliburton Co. will almost ce rtainly increase, causing occasional nervousness among investors, but they are unlikely to b ecome an overwhelming problem for the oilfield services ...
08/10/2001	5,404,200	$31.500	(1.563%)	Factiva	UPDATE 1-Halliburton seen weathering asbestos claims. HOUSTON, Aug 10 (Reuters) - Asbestos-liability claims against Halliburton Co. will almost ce rtainly increase, causing occasional nervousness among investors, but they are unlikely to b ecome an overwhelming problem for the oilfield services ...
08/10/2001	5,404,200	$31.500	(1.563%)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD. - Logging of Harvester #1-25 Well Completed. Vancouver, BC, Aug 10, 2001 (Market News Publishing via COMTEX) - The Company is pleased to announce that logging of the Harvester #1-25 well, located in Kings County, California, has been completed. Halliburton Energy Services was engaged ...
08/11/2001	.	.	.	Factiva	Crane collapse drama. TWO people escaped injury yesterday after a 90ton crane crashed through the roof of a worksh op. The two women were working inside the building when the mobile crane, operating in the b ack yard, toppled over. Its jib broke through the ...
08/11/2001	.	.	.	Factiva	Crane crash shock. STAFF at a North Sea service company in Aberdeen had a lucky escape yesterday when the jib o f a 90-tonne mobile crane crashed through the roof of a workshop. ...
08/11/2001	.	.	.	Factiva	Probe into city crane crash drama. escape: The crane lies on its side after the accident. HEALTH and safety chiefs have launche d a probe after a 90-tonne crane crashed through the roof of an Aberdeen workshop. ...
08/11/2001	.	.	.	Factiva	Two have lucky escape after crane topples. The crane lies on its side, with its jib through the workshop roof. Jim Irvine Caroline Page and Scott Macnab TWO women narrowly escaped injury yesterday when a 90-tonne crane crashed through the roof of a workshop. ...
08/13/2001	5,586,800	$30.800	(2.222%)	Factiva	nUnited Stateen'More asbestos claims' report hits Halliburton share prices. HALLIBURTON Co. the world's largest oilfield services firm, saw its stock fall 4.8% on Thurs day after the company released information showing a sharp increase in its asbestos litigati on liability, Reuters reports. ...
08/13/2001	5,586,800	$30.800	(2.222%)	Factiva	Grant Prideco. Houston, has announced the appointment of Louis A. Raspino as vice- president and chief fina ncial officer. Raspino replaces Frances R. Powell, who recently announced her retirement. ..

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/14/2001	7,851,800	$30.540	(0.8446)	Factiva	Kellogg Brown & Root joins Technit for Pemex project. Kellogg Brown & Root (KBR, part of Halliburton) has been chosen after a long and hard-fought tender by Pemex of Mexico to provide ethylene production technology in the EPC (engineering , purchase and construction) for Pemex's Petroquimica ...
08/14/2001	7,851,800	$30.540	(0.8446)	Factiva	GrandBasin Announces New President DALLAS--(BUSINESS WIRE)--Aug. 14, 2001--Landmark Graphics Corp., a wholly owned business uni t of Halliburton Company (NYSE:HAL), today announced that John K. Faraguna has been appointe d president of GrandBasin, a Landmark company ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	Hermaid slips into $22m Dampier plan. A new industry has begun in Western Australia's (WA) northwest, with the opening of Hermaid Marine's $A6 million slipway. The slipway complements a shore base and jetty, which are part of a $A22 million expansion by Hermaid at Dampier ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	Halliburton unit, Sonatrach win In Salah contract. DALLAS, Aug 15 (Reuters) - A joint venture between a unit of Halliburton Co. , the world's l argest oilfield service company, and a Japanese concern said on Wednesday that it signed a $ 620 million contract for the engineering and ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	Watts To Lead Delegation To Africa House Republican Conference Chairman J.C. Watts of Oklahoma will lead a delegation of six Ho use members and more than 30 U.S. corporations to Africa Aug. 26-31 to promote trade, econom ic development, democracy, health and debt relief. "We ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	Personnel. Landmark Graphics Names Faraguna Halliburton's wholly owned unit Landmark Graphics announced that John K. Faraguna has been appointed president of GrandBasin, a Landmark company. ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	Tritium puts city's health at risk. WITH regard to the proposed release of further tritium into the river Tamar, I am horrified at the statistics I have been reading. Apparently 700 per cent more tritium from proposed ne w Vanguard Trident submarines is to be poured into the ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	JGC/KBR Joint Venture Team Receives $620 Million Contract to Provide EPC For In Salah Gas In Salah Gas Development Set to Deliver Gas to Europe in 2004 DALLAS, Aug. 15 /PRNewswire/ - - JGC/KBR, a 50/50 joint venture between JGC Corporation of Yokohama, Japan, and Kellogg Bro wn & Root, a business unit of Halliburton Company (NYSE ...
08/15/2001	5,016,900	$32.840	7.5319	Factiva	JGC/KBR Joint Venture Team Receives $620 Million Contract to Provide EPC For In Salah Gas Date Announced: 20010815 JGC/KBR, a 50/50 joint venture between JGC Corporation and Kellogg Brown & Root, a business unit of Halliburton Company, announced that it has signed a contrac t for the engineering, procurement and construction ...
08/15/2001	5,016,900	$32.840	7.5319	PR News	JGC/KBR Joint Venture Team Receives $620 Million Contract to Provide EPC For In Salah Gas Ve nture in Algeria

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	Whiz-kid, 15, gets 'A' for Higher maths. MATHS whiz Andrew Halliburton, left, has an A-grade Higher pass - at the age of 15. He started maths lessons at the age of two after parents Alex and Jean, of Whitfield, Dundee, spotted his talent and got a tutor. ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	COMPANY NEWS: HALLIBURTON CO Halliburton Co says joint venture between its Kellogg Brown & Root unit and JGC Corp has signed $620 million contract for engineering and construction of In Salah gas reserves in Algeria
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	Housing & Construction has two co-investors for D47 motorway. PRAGUE, Aug 16 (CTK) - The Israeli company Housing & Construction will set up a consortium of investors for the construction of the D47 motorway from Lipnik to Ostrava with companies Halliburton Brown&Root and Beu Holding Strabag, Jan Binar ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	Halliburton Wins In Salah Work. A joint venture between a unit of Halliburton, the world's largest oil-field service company, and a Japanese concern said Wednesday that it had signed a $620 million contract for the engineering and construction of Algeria's In Salah gas ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	SHAWCOR LTD - HALLIBURTON COMPANY - ShawCor And Halliburton Announce Completion of Purcha SHAWCOR LTD - HALLIBURTON COMPANY - ShawCor And Halliburton Announce Completion of Purchase - of Commercial Resin de Mexico, S.A. de C.V. New York, New York, Aug 16, 200: (Market News Publishing via COMTEX) - ShawCor Ltd. and Halliburton ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	ShawCor Ltd. and Halliburton Company announce completion of purchase of Commercial Resin TORONTO, ON/DALLAS, TX, Aug. 16 /CNW/ - ShawCor Ltd. (TSE: SCL.A, SCL.B) and Halliburton Company (NYSE: HAL) announced that their joint venture entity, Bredero-Shaw, has completed the acquisition of 66.7% of Commercial Resin de Mexico, S.A ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	ShawCor Ltd - ShawCor's Bredero-Shaw acquires Commercial Resin Mr. Brian Conroy reports ShawCor and Halliburton Company's joint venture entity, Bredero-Shaw, has completed the acquisition of 66.7 per cent of Commercial Resin de Mexico, S.A. de C.V., currently the largest pipe coater in Mexico. ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	Bredero-Shaw Buys 66.7% Of Comml Resin De Mexico TORONTO -(Dow Jones)- Bredero-Shaw, a joint venture between ShawCor Ltd. (SCL.B) and Halliburton Co. (HAL), has closed its acquisition of 66.7% of Commercial Resin de Mexico S.A. de C.V. ...
08/16/2001	4,973,500	$32.300	(1.644%)	Factiva	COMPANY BRIEFS PERFORMANCE FOOD GROUP CO., Richmond, Va., won a contract valued at $110 million a year to supply 250 restaurants operated by Ruby Tuesday Inc. and SBG Inc. of Maryville, Tenn. ...

News and Events for Halliburton: 6/3/1999 - 12/7/2001
Sources: FactSet Research Systems, Inc., Factiva, and Reuters Research on Demand
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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/16/2001	4,973,500	[illegible].300	(1.0444)	Factiva	Halliburton Company and ShawCor Ltd. Announce the Completion ofCommercial Resin de Mexico DALLAS and TORONTO, Aug. 16 /PRNewswire/ -- Halliburton Company (NYSE: HAL) and ShawCor Ltd. (TSE: SCL.A, SCL.B) announced today that their joint venture entity, Bredero-Shaw, has comp leted the acquisition of 66.7% of Commercial Resin de ...
08/16/2001	4,973,500	832.300	(1.6444)	Factiva	PR Newswire Southwest Summary, Thursday, August 16, to 6:00 p.m. EDT Following is a summary of press releases about Texas, Oklahoma, Louisiana and Arkansas compa nies and organizations transmitted today by PR Newswire. The full text of these releases is available at the PRN Press Room, http://www.prnmedia.com ...
08/16/2001	4,973,500	832.300	(1.6444)	Factiva	Halliburton Company and ShawCor Ltd. Announce Completion of Purchase of Commercial Resin Date Announced: 20010816 Halliburton Company and ShawCor Ltd. announced that their joint ven ture entity, Bredero-Shaw, has completed the acquisition of 66.7% of Commercial Resin de Mex ico, S.A. de C.V., currently the largest pipe coater in ...
08/16/2001	4,973,500	832.300	(1.6444)	Factiva	Halliburton Company's Kellogg Brown & Root Begin Construction on Rail Link Date Announced: 20010717 Halliburton Company's Kellogg Brown & Root (KBR) business unit anno unced that construction work on the Alice Springs/Darwin rail link has formally begun. This means that the 937-mile rail line, which will ...
08/16/2001	4,973,500	832.300	(1.6444)	PR News	Halliburton Company and ShawCor Ltd. Announce the Completion of Commercial Resin de Mexico, S.A. de C.V. Purchase
08/17/2001	1,891,200	831.920	(1.1768)	Factiva	Oil and Gas: Bredero-Shaw completes purchase of Mexican pipe coater TORONTO - Bredero-Shaw, a joint venture between ShawCor Ltd. and Halliburton Co., has closed its acquisition of 66.7% of Commercial Resin de Mexico S.A. de C.V. Terms of the purchase w ere not disclosed. ShawCor and Halliburton said ...
08/17/2001	1,891,200	831.920	(1.1768)	Factiva	Another two investors will help with a motorway Housing & Construction Holding (HCH) (Israel), investor firm, will ensure the construction o f the motorway D47 from Lipnik-nad-Becvou to Ostrava, both the Czech Republic, and to the bo rder with Poland. The firm has invited another two co ...
08/17/2001	1,891,200	831.920	(1.1768)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD - Receives TripleSat RMT-Elite Analysis. Vancouver, BC, Aug 17, 2001 (Market News Publishing via COMTEX) - The Company is pleased to announce that it has received the TripleSat RMT-Elite Analysis performed by Halliburton Ener gy Services of the RMT Elite log data. Six general zones ...
08/17/2001	1,891,200	831.920	(1.1768)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD. - Revised - Receives TripleSat RMT-Elite Analysis. Vancouver, BC, Aug 17, 2001 (Market News Publishing via COMTEX) - The Company is pleased to announce that it has received the TripleSat RMT-Elite Analysis performed by Halliburton Ener gy Services of the RMT Elite log data. Six general zones ...
08/17/2001	1,891,200	831.920	(1.1768)	Factiva	International Brooks Petroleum Ltd - Int'l Brooks receives TripleSat RMT-Elite analysis Mr. Albert Raponi reports International Brooks Petroleum has received the TripleSat RMT-Elit e analysis performed by Halliburton Energy Services of the RMT Elite log data. Six general z

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ones were chosen within three formations: Kreyenhagen ...
08/17/2001	1,891,200	$31.920	(1.176%)	Factiva	Bredero-Shaw Expands with Acquisition. Halliburton CompanyHAL The Bredero-Shaw pipeline coatings solutions 50.5% JV between Canada' s ShawCor and the US' Halliburton has bought 66.7% of Mexican pipe coater Comercial Resin de Mexico, ShawCor and Halliburton announced. ...
08/17/2001	1,891,200	$31.920	(1.176%)	Factiva	Opera in the style of Oprah: Like his controversial brother Chris, Tom Morris pushes agai MENTION the name Jerry Springer, and you will experience a variety of reactions, whether it is the contemptuous smile, the brick hurled TV-ward, some predictable comment about everyon e wanting their Warhollan slice of fame, or an animated ...
08/18/2001	.	.	.	Factiva	Watts to lead new delegation to Africa WASHINGTON -- For the second time this year, U.S. Rep. J.C. Watts will lead an official dele gation to several African nations. Joining the Oklahoma Republican on this trip will be exec utives from nearly 30 U.S. companies, including ...
08/19/2001	.	.	.	Factiva	Oil sector to purchase US$3.7bil. The opening of the oil sector is boosting the Brazilian economy. The purchases made by the s tate owned company Petrobras and of its partners might reach US$3.7bil in 2001, according to Onip (Organizacao Nacional das Industrias de Petroleo ...
08/20/2001	1,763,800	$31.480	(1.378%)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD. - Recieved TripleSat RMT-Elite Analysis. Vancouver, BC, Aug 20, 2001 (Market News Publishing via COMTEX) - The Company is pleased to announce that it has received the TripleSat RMT-Elite Analysis performed by Halliburton Ener gy Services of the RMT Elite log data. Six general zones ...
08/20/2001	1,763,800	$31.480	(1.378%)	Factiva	ASDAR GROUP - 800 Feet Of Gross Pay Identified In Harvester #1-25 New York, New York, Aug 20, 2001 (Market News Publishing via COMTEX) - Asdar Group reports t hat logging of the Harvester #1-25, located in Bakersfield, California has been completed. S ix general zones were chosen within three formations ...
08/20/2001	1,763,800	$31.480	(1.378%)	Factiva	800 Feet of Gross Pay Identified in Harvester No. 1-25 VANCOUVER, British Columbia,--(BUSINESS WIRE)--Aug. 20, 2001--Asdar Group (KBCT: OTC BB) rep orts that logging of the Harvester No. 1-25, located in Bakersfield, California has been com pleted. Six general zones were chosen within three ...
08/20/2001	1,763,800	$31.480	(1.378%)	Factiva	800 Feet of Gross Pay Identified in Harvester No. 1-25 Date Announced: 20010820 Asdar Group reports that logging of the Harvester No. 1-25, located in Bakersfield, California has been completed. Six general zones were chosen within three f ormations: Kreyenhagen, Vedder and Temblor, the ...
08/21/2001	2,875,600	$32.055	1.811%		
08/22/2001	4,648,000	$31.440	(1.903%)	Factiva	JAPAN'S JGC GETS ORDER TO BUILD NATURAL GAS PLANT IN ALGERIA. TOKYO, Aug 22, Asia Pulse - JGC Corp. (1963) announced that it has received an order jointly with Kellogg Brown & Root (KBR), a unit of U.S. firm Halliburton Co., from the Bratish Petr

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					oleum Co. group for a natural-gas-processing plant in ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	Halliburton in $600 mln contract in Indonesian waters. NEW YORK, Aug 23 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services firm, on Thursday said it had won a $600 million contract to build a floating natural gas and oil processing station in Indonesian waters for a Conoco Inc ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	JGC Corporation announced that it and Kellogg Brown &amp - Root(KBR), a unit of US firm . JGC Corporation announced that it and Kellogg Brown & - Root (KBR), a unit of US firm Halliburton... JGC Corporation announced that it and Kellogg Brown & Root (KBR), a unit of US firm Halliburton Co, received an order jointly with ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	Halliburton Unit Gets $600M Project Hgmt Pact DALLAS -(Dow Jones)- PT Brown & Root Indonesia, an affiliate of Halliburton Co.'s (HAL) Kellogg Brown & Root, received a $600 million contract to provide project management, engineering, procurement, construction and installation services ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	Halliburton's Kellogg Brown & Root Awarded $600 Million EPCI Contract for Conoco Belanak DALLAS, Aug. 23 /PRNewswire/ -- PT. Brown & Root Indonesia, an affiliate of Kellogg Brown & Root (KBR), a business unit of Halliburton Company (NYSE: HAL), has been awarded a contract to provide project management, engineering, procurement ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	PLATT'S - Japan's JGC receives order to build gas plant in Algeria. Tokyo (Platts)-23Aug2001/1213 am EDT/413 GMT Japan's JGC Corp and Kellogg Brown and Root, a unit of US firm Halliburton Co, have received an order placed by BP and Algeria's state-owned Sonatrach, to build a natural gas processing plant ...
08/23/2001	2,831,800	$30.840	(1.908%)	Factiva	Halliburton Company's Kellogg Brown & Root Awarded $600 MillionEPCI Contract For Conoco B Date Announced: 20010823 PT. Brown & Root Indonesia, an affiliate of Kellogg Brown & Root, a business unit of Halliburton Company, has been awarded a contract to provide project management, engineering, procurement, construction ...
08/23/2001	2,831,800	$30.840	(1.908%)	P. News	Halliburton's Kellogg Brown & Root Awarded $600 Million EPCI Contract For Conoco Belanak FPSO in Indonesia
08/24/2001	2,611,400	$31.080	0.778%	Factiva	Ukraine opens oil pipeline to Europe. Ukrainian President Leonid Kuchma formally opened a new oil pipeline between Odessa and Brody on Aug. 19. The Ukrainians view it as an alternative route for Caspian oil to Europe that avoids the Bosporus Strait, while the European Union ...
08/24/2001	2,611,400	$31.080	0.778%	Factiva	HALLIBURTON AFFILIATE AWARDED INDONESIAN OIL CONTRACT. PT BROWN AND ROOT INDONESIA HAS BEEN AWARDED A CONTRACT TO PROVIDE PROJECT MANAGEMENT, ENGINEERING, PROCUREMENT, CONSTRUCTION AND INSTALLATION (EPCI) SERVICES FOR THE CONOCO BELANAK FLOATING PRODUCTION, STORAGE AND OFFLOADING VESSEL (FPSO ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
08/24/2001	2,611,400	$31.080	0.778%	Factiva	Halliburton, McDermott wins big Indonesian contracts. Halliburton Co., the world's largest oilfield-services company, won a US$600 million contrac t from Conoco Inc. to provide engineering and construction for an oil and natural-gas proces sing and storage terminal in Indonesia's South Natuna ...
08/24/2001	2,611,400	$31.080	0.778%	Factiva	Women pull their punch lines There isn't a single female stand-up comic on the Perrier Award shortlist this year. Not one . Juror Rachel Halliburton explains why women in Edinburgh just aren't as funny as the boys
08/25/2001	.	.	.	Factiva	LEVRON, JOSEPH BERNARD Joseph Bernard Levron, a retired truck driver for Halliburton, died Tuesday of lung cancer a t his home. He was 84. Mr. Levron was born in Montague and lived in Gretna and Ponchatoula f or the past 65 years. He was a member of Knights of ...
08/27/2001	2,031,200	$31.300	0.708%	Factiva	RAMCO EXPANDS OIL & GAS TEAM WITH APPOINTMENT OF IAN C PHILLIPS. Ramco Energy plc (Ramco), the energy and oil services group focused on exploration and produ ction, announces that it has expanded its oil and gas team with the appointment of Ian C Phi llips, to the post of Vice President of Project ...
08/28/2001	3,249,600	$30.450	(2.716%)	Factiva	INTERNATIONAL BROOKS PETROLEUM LTD - Harvester #1-25 Well Update Vancouver, BC, Aug 28, 2001 (Market News Publishing via COMTEX) - The Company wishes to anno unce that its consulting engineer has reviewed the data contained within the TripleSat RMT-E lite Analysis performed by Halliburton Energy Services. ...
08/28/2001	3,249,600	$30.450	(2.716%)	Factiva	Bredero-Shaw completes purchase of Commercial Resin de Mexico UK-based Bredero-Shaw completed the purchase of 66.7% of Commercial Resin de Mexico, the cou ntry's largest pipe coater in the middle of August. Its facilities are located adjacent to t he Tubacero steel mill in Monterrey, and the Texas pipe ...
08/28/2001	3,249,600	$30.450	(2.716%)	Factiva	International Brooks Petroleum Ltd - Int'l Brooks receives consulting engineer's review Mr. Albert Reponi reports The company's consulting engineer has reviewed the data contained within the TripleSat RMT-Elite Analysis performed by Halliburton Energy Services. ...
08/29/2001	2,650,000	$30.150	(0.985%)	Factiva	CRACKDOWN ON SPEED IN IREDELL PRESSES ON; AFTER LOSS OF MINIVAN WITH CAMERA, OFFICIALS SAY STATESVILLE -- Law enforcement officials in Iredell County no longer have a camera-equipped minivan to catch speeders, but they haven't ended their campaign to slow drivers. ...
08/29/2001	2,650,000	$30.150	(0.985%)	Factiva	HALLIBURTON REACHES AGREEMENT ON MODERNIZATION OF GURBAN ABBASOV VESSEL. "The State Oil Company of Azerbaijan (SOCAR) and the Halliburton company have agreed to mode rnize the Gurban Abbasov crane vessel being on the balance of the SOCAR," a source within th e SOCAR told TURAN. The experts of the two companies are ...
08/29/2001	2,650,000	$30.150	(0.985%)	Factiva	Halliburton Company's Landmark Graphics Corp. and BP Sign Agreement for Joint Development Date Announced: 20010829 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, and BP announced a joint development program to build next-generation pore pressu

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					re analysis and prediction software based upon BP's ...
08/30/2001	6,568,100	$28.000	(7.131%)	Factiva	LANDMARK AND BP SIGN AGREEMENT FOR JOINT DEVELOPMENT PROGRAM. Landmark Graphics Corp. a wholly owned business unit of Halliburton Company, and BP today an nounced a joint development program to build next-generation pore pressure analysis and pred iction software based upon BP's Presgraf technology. BP ...
08/30/2001	6,568,100	$28.000	(7.131%)	Factiva	Japan's JGC Corp Wins Order for Oilfield Equipment in Indonesia. Japan's engineering company JGC Corp. has won an order from U.S. oil company Conoco for a fl oating-producing-storage offshore (FPSO) to be used for development of an offshore oilfield in Indonesia. ...
08/30/2001	6,568,100	$28.000	(7.131%)	Factiva	The toast of the fringe Two comedians, one the Perrier winner, the other a finalist, and two up-and-coming dramatist s make Rachel Halliburton's final critical cut at Edinburgh
08/30/2001	6,568,100	$28.000	(7.131%)	Factiva	Halliburton gives to local charities The Halliburton Co., a petroleum and energy services firm, hosted a charity golf tournament that raised $150,000 to be split among the Sam Houston Area Council of Boy Scouts of America , the Fifth Ward Enrichment Program and the Juvenile ...
08/31/2001	4,332,500	$27.860	(0.500%)	Factiva	Three get clews out for Griffin. BHP Petroleum, the oil and gas arm of BHP Billiton, is evaluating three bids for repair and upgrading works at its Griffin, Chinook and Scindian oilfields off Western Australia, writes James Tham. ...
09/01/2001	.	.	.	Factiva	Changing signals on the Kursk lift Behind schedule and short of fund-raising goals for the salvage of the nuclear-propelled sub marine Kursk, the Russian government has changed plans for the historic lift effort. The pre vious plan, developed by the multinational Kursk ...
09/01/2001	.	.	.	Factiva	Brown & Root Services (BRS).(services)(Brief Article) Halliburton Company delivers its products and services to customers through six business uni ts, one of which is Brown & Root Energy Services. The company specializes in bringing in pro jects on time and within budget. The global reach of the ...
09/01/2001	.	.	.	Factiva	Halliburton, GD Engineering produce subsea pig launcher.(BriefArticle) Halliburton Subsea has teamed up with UK-based pipe line pigging system specialist GD Engine ering to offer the offshore industry a new Subsea Pig Launcher (SPL) for deepwater applicati ons. ...
09/01/2001	.	.	.	Factiva	Size of retrievable ML with fullbore capacity continues to shrink.(Brief Article) The first 5 1/2-in. (139.7mm) retrievable multilateral system (RMLS) was introduced recently by Halliburton Energy Services. The two technology advancement for multilaterals (TAML) lev el 4 RMLS window installations are said to optimize ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/01/2001	.	.	.	Factiva	Halliburton Energy Services. (Brief Article) Halliburton Energy Services extended its satellite communications network into Africa.
09/01/2001	.	.	.	Factiva	Hole-cleaning sweeps. (Halliburton Energy Services Div.'s Sweep-Wate)(Brief Article)(Produ Halliburton Energy Services, through its Baroid Drilling Fluids product service line, introd uces its proprietary Sweep-Wate(TM) for high-density hole cleaning sweeps for deviated wellb ores. Since the drilling fluid product is removed by the ...
09/03/2001	.	.	.	Factiva	Halliburton cementing crew sets new world records using ReverseCirculation method. Wyoming--Two world records were eclipsed recently in a well operated by Denver-based Barrett Resources. Bul'Frog Unit #9-13, located in Natrona County, was cemented using the Reverse C irculation method in conjunction with the ZoneSeal (TM ...
09/03/2002	.	.	.	Factiva	Successful ZoneSeal[TM] Isolation Process creates $2.9 millioneconomic value and eliminat Nova Scotia -- During normal drilling operations on a well in the Thebaud field, off shore S able Island, a channel formed between the conductor pipe and the surface hole. There was pot ential for losing both the well and the drilling jacket ...
09/04/2001	6,349,900	$28.860	7.589%	Factiva	PLATT'S - Halliburton sees asbestos claims as 'manageable' - CEO. New York (Platts)-4Sep2001/559 pm EDT/2159 GMT Asbestos claims against Halliburton are insur ed with a "substantial amount of coverage," David Lesar, chairman, president and CEO of the company, told a Lehman Brothers investment conference in ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	Moody's Assigns A1 To Halliburton Co Sr Unsec Debt More Like This
09/05/2001	3,483,400	$29.010	0.520%	Factiva	Awards Update * Wellstream, a business unit of Halliburton's Energy Services Group, has announced the laun ch of its range of reinforced thermoplastic pipe products for onshore and shallow water oil and gas applications under the Halliflow(tm) products ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	Offshore Europe 2001 Halliburton clinches $11.5m contracts forJade and Judy. OIL services giant Halliburton has won long-term North Sea service contracts with Phillips P etroleum worth about $11.5 million over five years. ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	CRACKDOWN ON SPEED IN IREDELL PRESSES ON; AFTER LOSS OF MINIVANWITH CAMERA, OFFICIALS SAY STATESVILLE -- Law enforcement officials in Iredell County no longer have a camera-equipped minivan to catch speeders, but they haven't ended their campaign to slow drivers. ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000305261 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/05/2001	3,483,400	$29.010	0.520%	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/FF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000305260 ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	Embezzler Broom behind bars for five years. Elaine Broom is led from Stonehaven Court after being sentenced Leah Williamson A CASHIER wh o embezzled almost £1million from the company she worked for - to finance an extravagant lif estyle of luxury holidays and expensive cars - was this ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	ORENBURGNEFT EXPANDS APPLICATION OF HYDROFRACTURING OPERATIONS. Orenburgneft is expanding application of hydrofracturing operations. In 2001, the company pl anned to conduct 37 such operations, but later decided to correct this target figure changin g it for 73 operations, including six operations in deep ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	ASBESTOS SUITS ARE MANAGEABLE: HALLIBURTON Asbestos claims against Halliburton are insured with a "substantial amount of coverage," CEO David Lesar said Sep 4. Addressing a Lehman Bros energy conference, Lesar said Halliburton "takes our exposure seriously," but said asbestos claims ...
09/05/2001	3,483,400	$29.010	0.520%	Factiva	MOODY'S ASSIGNS A1 RATING TO HALLIBURTON COMPANY'S BANK CREDITFACILITIES MOODY'S ASSIGNS A1 RATING TO HALLIBURTON COMPANY'S BANK CREDIT FACILITIES First-time Ratings of Revolving Credit Facilities Totaling $700 Million ...
09/05/2001	3,483,400	$29.010	0.520%	Jefferies & Compan	Halliburton Company - Halliburton: Initiating Coverage With An Accumulate Rating; Target $35
09/06/2001	3,102,000	$29.210	0.689%	Factiva	&NAME? DALLAS, Sept. 6 /PRNewswire/ -- Kellogg Brown & Root, a business unit of Halliburton (NYSE: HAL), and its joint venture partner, JGC Corporation, have been selected by Shell Gas & Powe r (Shell) as contractor for its first large scale Gas to ...
09/06/2001	3,102,000	$29.210	0.689%	Factiva	Halliburton Gets Shell Gas-To-Liquids Project Past DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) Kellogg Brown & Root unit, along with partner J GC Corp., will provide engineering-design services for Shell Gas & Power's first large-scale gas-to-liquids project. ...
09/06/2001	3,102,000	$29.210	0.689%	Factiva	PLATT'S - Shell awards contract for first large-scale GTL plant. London (Platts)-6Sep2001/1158 an EDT/1558 GMT Shell said Thursday it had awarded an engineer ing contract for its first large-scale gas-to-liquids plant to Halliburton unit Kellogg Brow n & Root and joint venture partner Japan's JGC ...
09/06/2001	3,102,000	$29.210	0.689%	Factiva	Halliburton Company's Kellogg Brown & Root Selected for Shell'sFirst Large Scale Gas-To-L Date Announced: 20010906 Kellogg Brown & Root, a business unit of Halliburton Company, and i ts joint venture partner, JGC Corporation, announced that they have been selected by Shell G

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					as & Power as contractor for its large scale ...
09/06/2001	3,102,000	$29.210	0.689%	Factiva	Halliburton helps JA raise bowl-a-thon funds Any company with logo items to donate to the Bowl- A-Thon to be get involved with the annual Junior Achievement Bowl-A-Thon, Junior Achievement hosted its annual bowl-a- thon kick-off luncheon Aug. 15. Guests included Houston-area companies ...
09/06/2001	3,102,000	$29.210	0.689%	Jefferies & Compan	Halliburton Company - Initiating Coverage (09/05/01) (Printed Rpt)
09/06/2001	3,102,000	$29.210	0.689%	PR News	Kellogg Brown & Root Selected for Shell's First Large Scale Gas-To-Liquids Project
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Halliburton, JGC Win Contract DALLAS -- Halliburton Co.'s Kellogg Brown & Root unit, in a joint venture with JGC Corp. of Yokohama, Japan, won an engineering-design contract for a Shell Gas & Power gas-to-liquids p lant. ...
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Australia gas project picks Halliburton unit. MELBOURNE, Sept 7 (Reuters) - Halliburton Co. unit, Kellogg Brown & Root, said on Friday it had won a development contract for a proposed A$250 million pipeline linking the Victorian gas network with South Australia. ...
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Landmark and BP Sign Agreement to Jointly Develop Spectral Decomposition; Next-Generation DALLAS--(BUSINESS WIRE)--Sept. 7, 2001--Landmark Graphics Corp., a wholly owned business uni t of Halliburton Company (NYSE:HAL), and BP today announced a joint development program to b uild next-generation seismic reservoir imaging software ...
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Defense Dept Awards Contract Worth Up To $5B To 5 Cos. NEW YORK -(Dow Jones)- The U.S. Department of Defense awarded a contract worth up to $5 bill ion to five companies including Halliburton Co.'s (HAL) Brown & Root Services unit and Rayth eon Co.'s (RTN) Raytheon Technical Services unit. ...
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Shell Awards GTL Contract. Shell Gas & Power is moving forward with plans to build its first large scale natural gas-to -liquids (GTL) plant, though it has yet to determine the site for the facility. ...
09/07/2001	2,615,900	$28.280	(3.184%)	Factiva	Landmark and BP Sign Agreement to Jointly Develop Spectral Decomposition; Next-Generation DALLAS, Sept. 7 /U.S. Newswire/ -- Landmark Graphics Corp., a wholly owned business unit of Halliburton Company (NYSE:HAL), and BP today announced a joint development program to build next-generation seismic reservoir imaging software ...
09/08/2001	.	.	.	Factiva	RAYTHEON WINS DISPOSAL CONTRACT Raytheon Co., Halliburton Co. and three other companies were awarded a $5 billion contract t o dispose of bombers, submarines and other weapons in the former Soviet Union, the Pentagon disclosed Friday. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/08/2001	.	.	.	Factiva	ETC. Citizens Financial Group will announce Monday that its first in- store Stop &Shop branch wil l open next week in Holyoke. On June 1, the supermarket chain announced that Citizens would take over 99 in- store Massachusetts branches from ...
09/09/2001	.	.	.	Factiva	PLATT'S - Oman oil well fire extinguished - official. Kuwait City (Platt's)-9Sep2001/511 am EDT/911 GMT Firefighters have extinguished an oil well fire in Oman that had raged since Aug 7, Petroleum Development Oman said Sunday. "The fire has been put out. That was yesterday," said spokesman ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	U.S. Awards Contract For $5 Billion to Destroy Ex-Soviets' Weapons NEW YORK -- The Department of Defense awarded a contract valued at as much as $5 billion to five companies for the destruction of nuclear and other weapons in the former Soviet Union. Among the companies are Halliburton Co.'s Brown & Root ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	Halliburton Unit Picked to Participate in Program to Reduce Threat of Weapons Of Mass Des DALLAS, Sept. 10 /PRNewswire/ -- A Kellogg Brown & Root (KBR) Government Operations team has been selected by the Department of Defense's (DOD) Defense Threat Reduction Agency (DTRA) t o participate in the Cooperative Threat Reduction (CTR ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	Halliburton Wins Pipeline Work. Halliburton unit Kellogg Brown & Root said Friday that it had won a development contract for a proposed A$250 million (US$130 million) pipeline linking the Victorian gas network with S outh Australia. ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	EDS. Plano, Tex., has named Tina M. Sivinski vice-president of its Global Energy Industries Group . In that role, she will be based in Houston and oversee the company's relationships in the oil and gas, chemical, utilities, and mining industries ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	PLATT'S - JGC/Kellogg JV to build GTL plant for Shell Gas & Power. Tokyo (Platts)-10Sep2001/1210 am EDT/410 GMT Japan's JGC Corp and joint venture partner, Kel logg Brown & Root, a business unit of Halliburton, have won a large-scale Gas to Liquids pro ject contract from Shell Gas & Power, JGC said in a ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	BP p.l.c. and Landmark Graphics Corp. Sign Agreement to JointlyDevelop Spectral Decomposi Date Announced: 20010907 BP p.l.c. and Landmark Graphics Corp., a wholly owned business unit of Halliburton Company announced a joint development program to build next-generation seism ic reservoir imaging software incorporating BP's ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	Halliburton Company's Landmark Graphics to Announce Linux Application Support Strategy at Date Announced: 20010910 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, announced that it plans to offer a full suite of integrated UNIX exploration and production applications on a range of Linux platforms ...
09/10/2001	2,375,700	$28.730	1.591%	Factiva	Halliburton Company and BP p.l.c. Sign Agreement to Jointly Develop Spectral Decompositio Date Announced: 20010907 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, and BP announced a joint development program to build next-generation seismic res

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					ervoir imaging software incorporating BP's Spectral ...
09/10/2001	2,375,700	$28.730	1.5918	Factiva	UT would rather be safethan exciting on offense The Texas offense has sputtered for the past two weeks, despite the presence of quarterback Chris Simms, a preseason Heisman Trophy candidate, talented wideout Roy Williams and freshma n tailback Cedric Benson. Plus, there are wide receivers ...
09/10/2001	2,375,700	$28.730	1.5918	PR News	Halliburton Unit Picked to Participate in Program to Reduce Threat of Weapons Of Mass Destru ction
09/11/2001	.	.	.	Factiva	Tech firm refuses to remain com: As New Economy's lustre vanishes, identities change Bid dot gone. Everyone knows we Canadians are a little slow on the latest business trends (n ot always a bad thing) so it should surprise no one to learn that Bid.Com International Inc. intends to drop all reference to the Internet in its ...
09/11/2001	.	.	.	Factiva	'I don't believe in writing as therapy' Is there a hint of autobiographical soul-searching to Abi Morgan's plays? Less than you'd th ink, she tells Rachel Halliburton ABI Morgan sweeps into the cafe with a woosh that suggests she has been transported on a tidal wave. Which is ...
09/12/2001	.	.	.	Factiva	Landmark Announces New Product Enhancement - StrataMap; Framework Building and Editing So DALLAS--(BUSINESS WIRE)--Sept. 12, 2001--Landmark Graphics Corp., a wholly owned business un it of Halliburton Company (NYSE:HAL), today announced StrataMap Framework Builder, a 3-D geo logical stratigraphic framework building and editing ...
09/12/2001	.	.	.	Factiva	Landmark Announces Multiyear Agreement With Badley Earth Science; Easy-to-Use Web-Based T DALLAS--(BUSINESS WIRE)--Sept. 12, 2001--Landmark Graphics Corp., a wholly owned business un it of Halliburton Company (NYSE:HAL), announced today a multiyear agreement with UK-based Ba dley Earth Science Inc., a leading oil and gas software ...
09/12/2001	.	.	.	Factiva	Halliburton expands drilling unit. The US Halliburton have concluded investments of US$700,000 in the expansion of its drilling services unit in Macae (Rio de Janeiro). The area jumped from 600 m2 to 1,200 m2. The compa ny aims to speed up its services due to the increasingly ...
09/12/2001	.	.	.	Factiva	ENERGY PRESS DIGEST - RUSSIA/CIS - OIL & GAS INDUSTRY, September 12, 2001 (PART 1). VEDOMOSTI, September 12 - The Ryazan Oil Refinery modernization project is expected to begin getting credits issued against U.S. EXIMBANK guarantees in October. Relying on an approxima tely $600 million loan, the TYUMEN OIL COMPANY (TNK ...
09/12/2001	.	.	.	Factiva	Ryazan Oil Refinery to Get Major Credit. The Ryazan Oil Refinery modernization project is expected to begin getting credits issued ag ainst U.S. EXIMBANK guarantees in October. Relying on an approximately $500 million loan, th e TYUMEN OIL COMPANY (TNK) plans to finish the refinery ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/13/2001	.	.	.	Factiva	Work Starts On Amangeldy Gas Savior. Exploration drilling started last week at the Amangeldy group of fields, which will be tappe d to resolve gas shortages in southern Kazakstan. The drilling is being carried out by a con sortium of three companies, including Halliburton, a ...
09/13/2001	.	.	.	Factiva	Halliburton helps JA raise funds Junior Achievement hosted its annual bowl-a-thon kick-off luncheon Aug. 15. Guests included Houston-area companies planning to participate in this year's bowl-a-thon. The fund-raiser b enefits Junior Achievement and WB39 Cares for Kids, a ...
09/13/2001	.	.	.	Factiva	Memorial man named year's top executive When Edgar Ortiz came to Houston from Latin America in 1990, he expected to stay two or thre e years. Now, 11 years later, the president and chief executive officer of Halliburton's Ene rgy Services received the International Executive of the ...
09/13/2001	.	.	.	Factiva	Memorial man named year's top executive When Edgar Ortiz came to Houston from Latin America in 1990, he expected to stay two or thre e years. Now, 11 years later, the president and chief executive officer of Halliburton's Ene rgy Services received the International Executive of the ...
09/13/2001	.	.	.	Factiva	Halliburton helps JA raise funds Junior Achievement hosted its annual bowl-a-thon kick-off luncheon Aug. 15. Guests included Houston-area companies planning to participate in this year's bowl-a-thon. The fund-raiser b enefits Junior Achievement and WB39 Cares for Kids, a ...
09/14/2001	.	.	.	Factiva	Halliburton Company's Landmark Announces Multiyear Agreement With Badley Earth Science Date Announced: 20010912 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, announced a multiyear agreement with UK-based Badley Earth Science Inc., a oil an d gas software developer and consulting company, for ...
09/14/2001	.	.	.	Factiva	Halliburton Company's Landmark Announces New Product Enhancement - StrataMap Date Announced: 20010912 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, announced StrataMap Framework Builder, a 3-D geological stratigraphic framework b uilding and editing application. An integrated ...
09/16/2001	.	.	.	Factiva	Company Profile For - HALLIBURTON AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name HAL LIBURTON AS 5. Address Pb. 300 Forus 6. Postal Code 4065 ...
09/17/2001	4,877,400	826.650	(7.240%)	Factiva	Company Profile For - HALLIBURTON AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type N 4. Company Name HAL LIBURTON AS 5. Address Pb. 300 Forus 6. Postal Code 4065 ...
09/17/2001	4,877,400	826.650	(7.240%)	Factiva	Asbestos update - Halliburton reveals asbestos liabilities. 10-Q filing with the Securities & Exchange Commission led to a 4.5% stock fall for Halliburt on, the world's largest oilfield services firm. This through the greater detail provided of

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					asbestos-related claims dating back to the 1970s. ...
09/17/2001	4,877,400	$26.650	(7.240%)	Factiva	OBI wins Dolphin bearing contract. ABERDEEN-BASED Oilfield Bearing International (OBI), the worldwide bearing distributor, has won a two-year contract with Dolphin Drilling. OBI managing director Roger Hales said: "The supply of bearing seals and oilfield roller chain was ...
09/17/2001	4,877,400	$28.650	(7.240%)	Factiva	ECHOES FROM ANOTHER AGE OF TERROR Sir Arthur Bliss wrote a string quartet for those who died at the Somme. This week it takes on a new, chilling significance as it is performed in London, says Rachel Halliburton
09/17/2001	4,877,400	$26.650	(7.240%)	Factiva	Bungled failure CHERISHED DISAPPOINTMENTS IN LOVE X Soho Theatre Rachel Halliburton IT IS one of theatre's most delicious ironies that nothing should be staged as meticulously as a cock-up, nothing more honed than a hiccup, and nothing more well performed ...
09/18/2001	4,361,400	$24.900	(8.068%)	Factiva	RESEARCH ALERT-JP Morgan cuts oil services. NEW YORK, Sept 18 (Reuters) - JP Morgan cut its rating on several oil service companies, including Baker Hughes Inc. and Halliburton Co. , citing "valuation risk." ...
09/18/2001	4,361,400	$24.900	(8.068%)	Factiva	BPI Industries Inc - BPI appoints Halliburton project manager,operator Mr. James Aalein reports The company has appointed Halliburton Energy Services to act as project manager, project operator and lead contractor for its Illinois basin methane project. .
09/18/2001	4,361,400	$24.900	(8.068%)	Factiva	BPI INDUSTRIES INC - Halliburton Energy Services Appointed as Project Manager and - Opera Vancouver, BC, Sep 18, 2001 (Market News Publishing via COMTEX) - The Company has appointed Halliburton Energy Services to act as Project Manager, Project Operator and lead contractor for its Illinois Basin Methane Project. Halliburton ...
09/18/2001	4,361,400	$24.900	(8.068%)	Factiva	HALLIBURTON INTENDS TO SHARE PROJECT "PHASE-2". The international company Halliburton intends to share further phases, related to Azeri-Chirag-Guneshli fields, particularly Phase-2, to be settled by late 2001. Kelsy Chen Tsing, Halliburton Manager, said company carries out engineering ...
09/18/2001	4,361,400	$24.900	(8.068%)	Jefferies & Compan	Energy Group - Industry Update (09/17/01)
09/19/2001	8,453,000	$22.890	(7.591%)	Factiva	PRESIDENT BUSH'S WAR COUNCIL Vice President Dick Cheney President Bush chose Cheney for two reasons - he was experienced in the ways of Washington and his background included a strong grasp of national defense issues. Bush's own resume was weak on these two points ...
09/20/2001	5,012,400	$21.560	(6.812%)	Factiva	Sidro reports lower H1 net profit. Belgian holding Sidro has announced a net profit of EUR 11.3m for the first half of 2001, compared with EUR 19.7m in the same period of 2000. Sidro said the main disposals in the first

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					half of 2001 concerned shares in Royal Dutch, AGL ...
09/21/2001	6,136,200	$22.580	4.7314	Factiva	J.P. MORGAN LOWERS RATINGS FOR HALLIBURTON, BAKER HUGHES AND OTHER OIL SERVICE COMPANIES. J.P. Morgan lowered ratings for several leading Western oil and gas service companies. Thus, J.P. Morgan lowered the rating of Baker Hughes and Halliburton from "long term buy" to "mar ket performer." Ratings of BJ Services Co., Grant ...
09/24/2001	5,241,400	$21.200	(6.1126)	Factiva	Union Fenosa. Elsewhere on the LNG front, Spanish utility Union Fenosa has awarded SN Technigas, a wholly owned subsidiary of Bouygues Offshore, a contract to build two LNG storage tanks in the nort hern Egyptian port of Damietta. The tanks are for the ...
09/24/2001	5,241,400	$21.200	(6.1126)	Factiva	A sophisticated escape PUTTING IT TOGETHER _ Minerva Theatre, Chichester Rachel Halliburton EVEN this pleasant even ing of sophisticated escapism has not been able to avoid being haunted by the events of 11 S eptember. When the programme for Putting It Together ...
09/24/2001	5,241,400	$21.200	(6.1126)	Factiva	Watch Your Step in the Oil Patch; If Mideast supplies are disrupted, big oil's margins co As the U.S. gears up for a battle against terrorism involving regions of the petroleum-rich Middle East, the question arises: Should investors be in the oil patch? Military action in t hat part of the world could lead to supply disruptions. ...
09/25/2001	5,899,100	$20.060	(5.3776)	Factiva	HEADLINE: Business briefs Well drilling topic of joint dinner meeting "The Drilling, Cementing and Completion of a 10, 000-foot Well" will be the topic of a Thursday joint dinner meeting of the Society of Petrol eum Engineers and the Appalachian Geological Society at ...
09/26/2001	9,319,500	$19.700	(1.7954)	Factiva	Cedric Burgher Named Vice President of Investor Relations at Halliburton DALLAS, Sept. 26 /PRNewswire/ -- Halliburton (NYSE: HAL) announced today that Cedric Burgher , 41, has been named the company's vice president of investor relations. In this role, Burgh er will oversee the company's communications and ...
09/26/2001	9,319,500	$19.700	(1.7954)	PR News	Cedric Burgher Named Vice President of Investor Relations at Halliburton
09/27/2001	6,337,700	$20.900	6.0811		
09/28/2001	7,327,100	$22.550	7.8954	Factiva	Subsea trawl. UNDERWATER services provider Halliburton Subsea is planning to deploy its multi-service vess el Subsea Viking to the Gulf of Mexico early next year. ...
09/28/2001	7,327,100	$22.550	7.8954	Factiva	Cargo transportation between Peru and Ecuador to reach 5,000 tons. Inter Andinos predicts that the road cargo transportation between Peru and Ecuador will reac h nearly 5,000 tons per month during this year, which will be similar to last year's figures . The company also forecasts a growth of between 10% and ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
09/30/2001	.	.	.	Factiva	Kellogg Brown & Root for SEA pipeline. SEA Gas is a new 50-50 joint venture between Australian National Power and Origin Energy. Th e joint venture is responsible for the construction of a new underground gas pipeline from t he Port Campbell area in Western Victoria to Adelaide ...
09/30/2001	.		.	Factiva	Technology - E&P - Controlling unwanted water production. The production of unwanted water is a growing problem in the oil and gas industry, costing o perators billions of dollars every year. Halliburton Energy Services has developed both a ne w integrated approach to tackle this problem and a new ...
10/01/2001	6,243,500	$21.900	(2.8826)	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Prosafe, Statoil and BP sign joint working programme agreementfor MSV Regalia The Norwegian offshore contractor and rig operator Prosafe ASA, Norwegian oil group Statoil, BP and Halliburton have entered into a joint working programme agreement for Prosafe's well intervention vessel MSV Regalia. ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Two Teams Bid for Britain's Engineering Vehicles Two teams, one formed by Britain's Amey and Lex, and another by the Brown & Root subsidiary of Halliburton [HAL] and Caterpillar [CAT], have bid for Britain's $1.8 billion requirement for new engineering support vehicles, the Ministry of ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Bredero-Shaw enhances its deepwater capabilities. (purchases Commercial Resin de Mexico) (B Halliburton Co. and ShawCor Ltd. report that their joint venture, Bredero-Shaw, has acquired 66.7% of of the pipe-coating coating entity Commercial Resin de Mexico. ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Kellogg Brown & Root Selected for Shell's Gas-To-Liquids Project Kellogg Brown & Root, a business unit of Halliburton and its joint venture partner, JGC Corp oration, were selected by Shell Gas & Power (Shell) as contractor for its first large scale Gas to Liquids (GTL) project. The joint venture's ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Low viscosity ester fluid designed for deepwater conditions. (Brief Article) A low viscosity ester-based fluid with the addition of two new rheological control agents de veloped by Halliburton Energy Services recently completed successful jobs for an operator in the Gulf of Mexico. The fluid is an alternative to ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Satcom network links Africa well sites wit operating centers. (Brief Article) A high-speed satellite communications network has been extended into Africa, making up a net work similar to that existing the Gulf of Mexico. Through the use of portable remote units, the HalLink (TM) network is now operational for ...
10/01/2001	6,243,500	$21.900	(2.8826)	Factiva	Ester-based drilling fluid. (Brief Article) Halliburton Energy Services recently commercialized the low viscosity ester-based PETROFREE TM) LV fluid with the addition of two new rheological control agents. The drilling fluid ena bles operators to use ester-based fluids in deepwater ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/01/2001	6,243,500	$21.900	(2.882%)	Factiva	Gas-to-liquids. Shell Gas & Power (London) has selected the joint venture partnership of Kellogg Brown & Roo t (Houston/ halliburton.com) and JGC Corp. (Yokohama, Japan) to build Shell's first large-sc ale gas-to-liquids (GTL) project. The plant, whose ...
10/01/2001	6,243,500	$21.900	(2.882%)	Factiva	New drilling techniques cut operating costs.(Halliburton EnergyServices)(Column) Spent an interesting day, recently, touring the Halliburton Energy Services facility in Hous ton. It's amazing how such organizations have merged the services of several long-establishe d companies to offer integrated technology packages to ...
10/01/2001	6,243,500	$21.900	(2.882%)	Factiva	What's happening in drilling New drilling techniques cut operating costs Spent an interesting day, recently, touring the Halliburton Energy Services facility in Houston. It's amazing how such organizations have me rged the services of several long-established companies ...
10/01/2001	6,243,500	$21.900	(2.882%)	Factiva	COVER STORY Lester Coleman (36)Halliburton Company As a vice presidential candidate, Dick Cheney had to unload his considerable stock in Halliburton Company, where he'd been president and chief ex ecutive officer. Lester Coleman, Halliburton's ...
10/01/2001	6,243,500	$21.900	(2.882%)	Factiva	MSV Aegalia to Asgard for Statoil and West of Shetland for BP. Prosafe, Statoil, BP and Halliburton have today agreed to utilise the MSV Aegalia on respect ively Asgard and West of Shetland in 2001 and 2002. In order to secure the joint working pro gramme, Statoil has chosen to push back the subsea ...
10/02/2001	3,802,800	$21.420	(2.192%)	Deutsche Bank Rese	Trough Valuation Analysis: Bad News Largely Discounted in the Stocks, But Potential for a Re covery Isn't. Significant Upside Potential in Next 6-12 Months
10/02/2001	3,802,800	$21.420	(2.192%)	Factiva	Asdar Group - Harvester No. 1-25 Well Oil & Gas Update & Financing VANCOUVER, British Columbia--(BUSINESS WIRE)--Oct. 2, 2001-- Asdar Group (XBET: OTC BB) repo rts that an updated review by the Project's Petroleum Engineer, Robert M. Scoggins P.E. of B enton, Louisiana, USA based on new data contained within ...
10/02/2001	3,802,800	$21.420	(2.192%)	Factiva	ASDAR GROUP - Harvester No. 1-25 Well Oil & Gas Update & Financing. New York, New York, Oct 02, 2001 (Market News Publishing via COMTEX) - Asdar Group reports t hat an updated review by the Project's Petroleum Engineer, Robert M. Scoggins P.E. of Benton , Louisiana, USA based on new data contained within the ...
10/02/2001	3,802,800	$21.420	(2.192%)	Factiva	Banks structure deals for Mexico's Pemex ABN Amro, Chicago, and Barclays Bank, New York, have both recently arranged financing for Me xico's Petroleos Mexicanos (Pemex) to support the importation of US equipment and services f or oil and gas field production in Mexico. The ...
10/02/2001	3,802,800	$21.420	(2.192%)	Factiva	#NAME? Date Announced: 20011001 Halliburton Company's Landmark Graphics Corp. announced the relea se of 3D Drill View, a new 3-dimensional visualization product for geological, geophysical an

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					s drilling information. 3D Drill View is a PC-based ...
10/03/2001	4,620,800	$22.330	4.248%	Factiva	HIGH ACTIVITY WEST OF SHETLAND NEXT YEAR Shetland appears to see high drilling activities next year following Smedvig's contracts for its drill ship West Navion with Enterprise and Amerada Hess for drilling in the waters West of Shetland in March 2002. ...
10/04/2001	6,777,900	$23.750	6.359%	A.G. Edwards & Son	Halliburton - Weak Natural Gas Market Tempers Positive Impact of International Recovery
10/04/2001	6,777,900	$23.750	6.359%	Factiva	Statoil Signs NOK400M Worth Of Deals To Develop Gas Field COPENHAGEN -(Dow Jones)- Statoil (STO) said Thursday it has signed deals with subcontractors worth up to 400 million kroner ($1=NOK8.8095) for the development of the Kvitebjoern field in the North Sea. ...
10/04/2001	6,777,900	$23.750	6.359%	Factiva	PLATT'S - Statoil signs contracts for Kvitebjorn field development. Singapore (Platts)-4Oct2001/228 am EDT/628 GMT Norway's Statoil Thursday said it has signed contracts for well services connected with the development of the Kvitebjorn gas and condensate field in the North Sea under its operatorship. If ...
10/04/2001	6,777,900	$23.750	6.359%	Factiva	Platt's - Statoil signs Kvitebjorn gas field contracts for $45-mil. London (Platts)-4Oct2001/1053 am EDT/1453 GMT Norway's Statoil, has signed contracts for the development of the Kvitebjorn gas and condensate field in the North Sea which will be worth NOK400-mil ($45.97) if all 11 planned production wells ...
10/04/2001	6,777,900	$23.750	6.359%	Factiva	Rufus gets religion: Arts: First he was a sex symbol, then a Jack-the-lad. Now Rufus Sewe EVER since his appearance in Middlemarch caused palpitations across Middle England, Rufus Se well has battled with the fervid fantasies provoked by his romantic hero looks. This has led . in some interviews, to two Sewells: the " ...
10/05/2001	4,408,300	$23.380	(1.558%)	Deutsche Bank Rese	HAL Provides Better Definition on Asbestos Liability Issue at DBAB Fall Energy Conference
10/05/2001	4,408,300	$23.380	(1.558%)	Factiva	Two Teams Bid for Britain's Engineering Vehicles WASHINGTON--Two teams, one formed by Britain's Amey and Lex, and another by the Brown & Root subsidiary of Halliburton (HAL, and Caterpillar (CAT), have bid for Britain's $1.5 billion requirement for new engineering support vehicles, the ...
10/08/2001	4,648,400	$24.050	2.866%	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
10/08/2001	4,648,400	$24.050	2.866%	Factiva	Company Profile For - Halliburton Denmark A/S. 1. Transaction Type 01 2. Registration Number 23C600 3. Report Type M 4. Company Name Halliburton Denmark A/S 5. Address Storatromsvej 6 6. Postal Code 6715 ...
10/08/2001	4,648,400	$24.050	2.866%	Factiva	Halliburton oil employees among Saudi blast victims. HOUSTON, Oct 8 (Reuters) - An employee of U.S. oilfield services company Halliburton Co. was killed and another employee was injured in a bomb attack in Saudi Arabia on Saturday, a com

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					pany spokeswoman said on Monday. ...
10/08/2001	4,648,400	$24.050	2.8669	Factiva	Halliburton 2001 Third Quarter Teleconference DALLAS, Oct. 8 /PRNewswire/ -- Halliburton Company (NYSE: HAL) plans to release its 2001 thi rd quarter financial results Tuesday afternoon, October 23, 2001, at 3:00 PM Dallas time (Ce ntral Daylight Time). ...
10/08/2001	4,648,400	$24.050	2.8669	Factiva	Statoil. Elsewhere on the production front, a consortium of Statoil, Shell, Halliburton, and Petrotec h are researching a new downhole well-testing method that can eliminate the need for flaring . Statoil is heading the tests. The system uses a ...
10/08/2001	4,648,400	$24.050	2.8669	Factiva	PLATT'S - Halliburton employees killed, injured in Saudi blast. New York (Platts)-8Oct2001/510 pm EDT/2110 GMT A Halliburton Energy Services employee was am ong two people killed in a bomb attack Saturday night in Khobar, Saudi Arabia, a Halliburton spokeswoman said Monday. Another Halliburton employee ...
10/08/2001	4,648,400	$24.050	2.8669	PR News	Duke and Dominion Boost Energy Convergence M&A Among PFC SC
10/08/2001	4,648,400	$24.050	2.8669	PR News	Halliburton 2001 Third Quarter Teleconference
10/09/2001	3,158,400	$24.280	0.9569		
10/10/2001	4,041,000	$25.950	6.8786	Factiva	Company Profile For - HALLIBURTON AS 1. Transaction Type 01 2. Registration Number 971594834 3. Report Type N 4. Company Name HAL LIBUATON AS 5. Address Po. 200 Forus 6. Postal Code 4065 ...
10/10/2001	4,041,000	$25.950	6.8786	Factiva	Bomb Kills Halliburton Employee. A Halliburton employee in Saudi Arabia was killed and a second employee injured during a bom bing Saturday evening in a public shopping area in the eastern section of the country, compa ny spokeswoman Wendy Hagen said. ...
10/10/2001	4,041,000	$25.950	6.8786	Factiva	HALLIBURTON EMPLOYEE KILLED US oilfield service major Halliburton confirmed that one of its employees was killed and ano ther injured in a bomb attack Oct 6 in Saudi Arabia. A Halliburton spokeswoman in Dallas sai d both employees were US citizens, but she could not ...
10/10/2001	4,041,000	$25.950	6.8786	Factiva	PLATT'S - Statoil awards VM group Heidrun oil, gas field contract. London (Platts)-10Oct2001/1216 pm EDT/1616 GMT The VM alliance, which comprises Halliburton, Fabricom and Soroo, has won the main contract for the modification work on the Heidrun oil and gas platform, Norwegian operator Statoil said ...
10/10/2001	4,041,000	$25.950	6.8786	Factiva	PLATT'S - Statoil awards VM group Heidrun oil, gas field contract. London (Platts)-10Oct2001/1219 pm EDT/1619 GMT The VM alliance, which comprises Halliburton, Fabricom and Soroo, has won the main contract for the modification work on the Heidrun oil

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					and gas platform, Norwegian operator Statoil said ...
10/10/2001	4,041,900	$25.930	6.678%	Factiva	Forgotten magic STAIRS TO THE ROOF Minerva, Chichester Rachel Halliburton IN 1947, Tennessee Williams wrote: "When I look back at Stairs to the Roof which I wrote six years ago - it seems like 60 years ago - I see its faults very plainly . . . but still I ...
10/11/2001	4,331,100	$25.740	(0.809%)	Factiva	BMC Software Profits from Extra Space in West Houston with Lease to Business BMC Software is making the most of its oversized West Houston campus by leasing 200,000 square feet of extra office space to Landmark Graphics. ...
10/11/2001	4,331,100	$25.740	(0.809%)	Factiva	Ultratec to generate 1,000 jobs. UTC Engenharia has inaugurated the shipbuilding Ultratec at Niteroi, Rio de Janeiro state. The facility will produce 6 blocks to support the oil platform FPSO at Campos basin, Rio de Janeiro state. The work was contracted by Halliburton (US ...
10/11/2001	4,331,100	$25.740	(0.809%)	Factiva	A new drilling suite from Halliburton. A new drilling suite that helps operators achieve a smooth, spiral free hole has been introduced by Halliburton Energy Services. The FullDrift drilling suite includes the SlickBore matched drilling system, the GeoPilot rotary steerable ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Eni Unit Buys 50% European Marine Contractors For $113M MILAN -(Dow Jones)- Italy's Saipem, a unit of oil and gas group Eni (E), said Friday it had acquired from Halliburton Brown & Root the remaining 50% of European Marine Contractors, a U.K. company operating in the offshore pipeline market in ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Saipem buys rest of EMC. ROME, Oct 12 (Reuters) - Saipem, the oil field services affiliate of Italian energy giant Eni , said it has acquired from Halliburton Co.'s Brown and Root the remaining 50 percent of European Marine Contrators Ltd. ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Statoil gives Halliburton, Stolt repair deal. OSLO, Oct 12 (Reuters) - Norwegian energy group Statoil said on Friday it had awarded a 800-900 million Norwegian crown ($90.96-102.3 million) repair contract at the Aasgard oil and gas offshore field to U.S-based Halliburton and Norway's ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Giants for Kvitebjorn. US OIL service giants Schlumberger, Halliburton and Baker Hughes have landed well service contracts at Statoil's Kvitebjorn gas and condensate field development. ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Mikkel link winner. NORWEGIAN operator Statoil has awarded Saipem and Halliburton's jointly-owned European Marine Contractors the Nkr80 million ($9.2 million) contract to lay a pipeline between the Mikkel field in the Norwegian Sea and a subsea template on the ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Heidrun prize. HALLIBUATON, Fabricom and Sorco have won Statoil's main Heidrun water injection contract off Norway, including engineering, procurement, construction and installation of two new module s.
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	PLATT'S - Statoil Asgard repairs to continue until May 2002. Edinburgh (Platts)-12Oct2001/945 am EDT/1345 GMT Norway's Statoil Friday said repairs to its Norwegian Sea Asgard field will last until May 1 2002. It has awarded contracts for repairs to 42 welds on the flowline between Asgard A production ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	Platt's - Norway's Statoil signs contracts for Asgard gas repairs. London (Platts)-12Oct2001/946 am EDT/1346 GMT Norway's Statoil has signed contracts with Sto lt Offshore and Halliburton, for repairs to the welds on the Norwegian Sea's Asgard gas fiel d, Statoil said in a statement Friday. The contracts ...
10/12/2001	3,980,400	$25.340	(1.554%)	Factiva	PLATT'S - Eni's Saipem acquires Brown & Root pipeline unit. Rome (Platts)-12Oct2001/312 pm EDT/1912 GMT Italian Eni's Saipem has acquired from Halliburt on's Brown & Root the remaining 50% of European Marine Contractors, a major player in the No rth Sea offshore pipeline market, Eni said Friday. The ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Stolt Offshore Awarded Repair Contracts in Norway LONDON--(BUSINESS WIRE)--Oct. 15, 2001-- Stolt Offshore S.A. (Nasdaq: SOSA; Oslo Stock Excha nge: STO) announced today the award of two contracts to the Stolt Halliburton Joint Venture for pipeline repairs in Norway. One of these is from ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Stolt Halliburton Joint Venture wins new pipeline repair contracts Stolt Halliburton Joint Venture, a welding and diving services joint venture of the Norwegia n offshore contractor Stolt Offshore and the global Halliburton group, has received pipeline repair contracts in Norway from Statoil and Norsk Hydro ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Landmark and Burlington Resources Announce Technology Agreement; Access to Leading-Edge S DALLAS--(BUSINESS WIRE)--Oct. 15, 2001--Landmark Graphics Corp., a wholly owned business uni t of Halliburton Company (NYSE:HAL), today announced that it has signed a multiyear technolo gy agreement with Burlington Resources (NYSE:BR). The ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Burlington Resources, Halliburton In Petrotechnical Pact DALLAS -(Dow Jones)- Halliburton Graphics Corp.'s (HAL) Landmark Graphics Corp. signed a mul tiyear technology agreement with oil and gas company Burlington Resources (BR). ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Stolt Halliburton Venture Gets $106M Norway Pacts NEW YORK -(Dow Jones)- Stolt Offshore S.A.'s (SOSA) and Halliburton Co.'s (HAL) Stolt Halliburton venture received two contracts valued at a combined $106 million for pipeline repairs in Norway. ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	James S. Jacobi Houston-based engineer and consultant Walter P. Moore and Associates Inc., has hired James S . Jacobi as principal and chief information officer to lead the development and implementati

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					on of the firm's overall information technology programs ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	ITALY Italian Eni's Saipem has acquired from Halliburton's Brown & Root the remaining 50% of Europ ean Marine Contractors (EMC), a major player in the North Sea offshore pipeline market, Eni said Oct 12. The price is $115-mil, which may be ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	NORWAY Statoil said Oct 12 repairs to its Norwegian Sea Asgard field will last until May 1, 2002. I t has awarded contracts for repairs to 42 welds on the flowline between the Asgard A product ion ship and the Asgard B platform to a joint venture of ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Stolt Offshore S.A. Awarded Repair Contracts in Norway Date Announced: 20011015 Stolt Offshore S.A. announced the award of two contracts to the Sto lt Halliburton Joint Venture for pipeline repairs in Norway. One of these is from Statoil an d the other from Norsk Hydro. The first contract is for ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Halliburton Company' Landmark Graphics Corp. and Burlington Resources Announce Technology Date Announced: 20011015 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, announced that it has signed a multiyear technology agreement with Burlington Res ources. The agreement with Landmark will focus on ...
10/15/2001	2,953,700	$24.570	(3.039%)	Factiva	Minimalist excursion LIFE WITH AN IDIOT * Gate Theatre Rachel Halliburton THE set aches with trendiness - a satir ical homage to devotees of Wallpaper magazine - with its ultra-minimalist white floor, white walls, white cupboards, white wordless books, and ...
10/16/2001	6,101,600	$24.870	1.221%	Factiva	Buoyant Stolt clinches North Sea contracts. DEEPWATER energy contractor Stolt Offshore yesterday bolstered last month?s strong quarterl y forecasts with the announcement of two North Sea pipeline repair awards worth $106m. ...
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	Appointment at Ramco Energy. Ramco Energy has expanded its oil and gas team with the appointment of Ian C Phillips, to th e post of Vice President of Project Development. Phillips, who is a Director on the Board of the Society of Petroleum Engineers (SPE), joins Ramco ...
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	Halliburton Outlook Revised To Negative - S&P More Like This
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	VM ALLIANCE WINS HEIDRUN-CONTRACT The VM alliance-Halliburton, Fabricom and Sorco-has won the main contract for the modificati on work on the Heidrun platform to set up a water injection system to maintain reservoir pre ssure. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	HALLIBURTON AND STOLT SECURES ASGARD CONTRACT On behalf of its partners in the licence, Statoil has entered into contracts with Stolt Offshore and Halliburton, on a joint venture basis, for repairs of welds on the Norwegian Sea's Asgard platform. ...
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	SAIPEM ACQUIRES EMC In a US $115m deal, Saipem (ENI group) has acquired Halliburton Brown & Root's remaining 50% of European Marine Contractors Ltd. (EMC). The initial amount may be increased by a maximum of $ 27.5m in accordance with a formula linked to the ...
10/17/2001	4,534,000	$24.360	(2.051%)	Factiva	PLATT'S - S&P lowers outlook on Halliburton due to asbestos suits. New York (Platts)-17Oct2001/255 pm EDT/1855 GMT Standard & Poor's Wednesday lowered its outlook on Halliburton to negative from stable. S&P said its outlook change reflected its "growing concern" over the Dallas-based oilfield services ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	DSND Subsea and Halliburton Subsea in merger talks The Norwegian company DSND Subsea ASA and Halliburton Subsea, part of the international group Halliburton Energy Services, announced today (18 October) that the companies were in negotiations to merge their subsea activities. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton and DSND Sign Letter of Intent to Form New Subsea Company Combination of Subsea Interests Poised to Meet Growth in the Upstream Oil And Gas Market DALLAS, Oct. 18 /PRNewswire/ -- Halliburton Subsea, a business unit of Halliburton's (NYSE: HAL) Energy Services Group, and Norwegian-based DSND ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton/DSND Subsea -2: Have 50/50 Stake In New Co DALLAS -(Dow Jones)- Haliburton Co.'s (HAL) Halliburton Subsea unit and Norwegian-based DSND Subsea ASA (Y.DSN) have agreed to combine their subsea interests in the upsteam oil and gas industry, forming a new company. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton, DSND Subsea To Form New Subsea Company DALLAS -(Dow Jones)- Haliburton Co.'s (HAL) Halliburton Subsea unit and Norwegian-based DSND Subsea ASA (Y.DSN) have agreed to combine their subsea interests in the upsteam oil and gas industry, forming a new company. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	CONDOR GOLD FIELDS INC. - Drilling To Re-Commence On Coalinga 1-1 Gas Well. Vancouver, BC, Oct 18, 2001 (Market News Publishing via COMTEX) - Condor Gold Fields Inc. (the "Company") is pleased to announce that the operator has informed the Company that they anticipate that work is expected to re-commence over the ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Condor Gold Fields Inc - Condor Gold to recommence work on Coalinga Nose 1-1 Mr. Graeme Sewell reports The operator has informed the company that it anticipates that work is expected to recommence over the weekend on the Coalinga Nose 1-1 well. The Halliburton thermal multigate decay-lithology (TMD-Lith)) tool will ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	DSND and Halliburton may merge subsea units. DSND, the Norwegian offshore contractor, and Halliburton, the US engineering giant, said on Thursday they were in negotiations to merge their subsea businesses to form a group with a c

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					onbined turnover of $800m. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton and DSND in sub-sea business merger. Halliburton, the US engineering giant, and DSND, a Norwegian offshore contractor, announced plans to combine their sub-sea businesses to create the world's third largest sub-sea supplier to the offshore oil industry. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton, DSND to Form New Subsea Company. Halliburton CompanyHAL Dallas-based oil and gas products and services supplier Halliburton has signed a letter of intent with Norway's DSND Subsea ASA to combine their respective subsea interests in the upstream oil and gas industry. ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	PLATT'S - US' Halliburton, Norway's DSND plan new subsea company. Edinburgh (Platts)-18Oct2001/1113 am EDT/1513 GMT Norway's DSND Subsea and US' Halliburton have signed a letter of intent to form a new subsea company, DSND said Thursday. The new company plans to start operations Jan 1 2002 and will ...
10/18/2001	5,742,700	$23.050	(5.378%)	Factiva	Halliburton Company and DSND Sign Letter of Intent to Form NewSubsea Company Date Announced: 20011018 Halliburton Company's Halliburton Subsea and Norwegian-based DSND Subsea ASA, a subsea contractor, announced that the two companies have signed a letter of intent to combine their respective subsea interests in the ...
10/18/2001	5,742,700	$23.050	(5.378%)	PR News	Halliburton and DSND Sign Letter of Intent to Form New Subsea Company
10/19/2001	4,447,800	$24.000	4.121%	Factiva	Halliburton Enters Subsea Venture With Norwegian Firm. US oil services giant Halliburton has agreed to merge its subsea business unit with the equivalent operations of Norwegian contractor DSND Subsea, in a bid to capture work in high-growth oil and gas areas around the world. ...
10/19/2001	4,447,800	$24.000	4.121%	Factiva	COMPANY BRIEFS HALLIBURTON CO., Dallas, the world's largest oil field services company, and its rival DSND Subsea, Oslo, said they would merge their underwater units in an equally-shared joint venture to meet an expected increase in demand for underwater ...
10/19/2001	4,447,800	$24.000	4.121%	Factiva	SAIPEM of Italy has confirmed that it has bought from SAIPEM of Italy has confirmed that it has bought from Halliburton Brown & Root the 50% stake in North Sea pipeline specialist European Marine Contractors (EMC) it did not already own. The acquisition, costing $115 million, is subject to ...
10/19/2001	4,447,800	$24.000	4.121%	Factiva	halliburton Page... halliburton Page: 3 Date: 19/10/2001 Author: Jerry Frank Halliburton dives into merger By Jerry Frank UNITED States oil services giant Halliburton yesterday ...
10/19/2001	4,447,800	$24.000	4.121%	Factiva	First Goldwater Resources Inc - First Goldwater progressing onCoalinga well Mr. Conrad Clemiss reports The operator on the Coalinga Nose 1-1 well has informed First Goldwater that it expects work to recommence over the weekend on the Coalinga Nose 1-1 well. TA

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					e Halliburton Thermal Multigate Decay-Lithology (TMD-L ...
10/19/2001	6,447,800	$24.000	4.121%	Factiva	COMPANY NEWS: HALLIBURTON CO Halliburton Co, world's largest oil field services company, and its rival DSND Subsea, Oslo, will merger their underwater units in equally shared joint venture to meet expected increas e in demand for underwater oil exploration and ...
10/19/2001	6,447,800	$24.000	4.121%	Factiva	Oil firms in merger deal OFFSHORE oil industry support companies Halliburton Subsea and DSND Subsea have agreed to me rge their operations, creating an Aberdeen-based industry giant that will employ 4000 staff worldwide. ...
10/19/2001	6,447,800	$24.000	4.121%	Factiva	Oil pipeline companies dive into a joint deal OFFSHORE oil industry support companies Halliburton Subsea and DSND Subsea have agreed to me rge their operations, creating an Aberdeen-based industry giant that will employ 4000 staff worldwide. ...
10/19/2001	6,447,800	$24.000	4.121%	Factiva	New subsea firm's HQ to be Aberdeen. Michael Simlett NORWEGIAN offshore contractor DSND and American engineering giant Halliburto n yesterday announced plans to merge their subsea businesses. ...
10/19/2001	6,447,800	$24.000	4.121%	Factiva	SUBSEA VENTURE Edinburgh-Norway's DSND Subsea and the US' Halliburton have signed a letter of intent to for m a new subsea company, DSND said Oct 18. The new company plans to start operations Jan 1, 2 002, and will service the "high-growth global deepwater ...
10/20/2001	.	.	.	Factiva	Managing director of Norway's DSND Subsea to step down. Geir Aune, the managing director of the Norwegian oilfield services and underwater construct ion company DSND Subsea, formerly DSND Sondenfjeldske, is to step down at the end of this ye ar. Aune said he had now carried out the job he was ...
10/20/2001	.	.	.	Factiva	HES invests in Kemaman plant HALLIBURTON Energy Services (HES) Sdn Bhd, provider of products and services to petroleum an d energy industries, has invested over US$12.5 million (RM47.5 million) in its new facility in Kemaman, Terengganu. ...
10/22/2001	3,601,500	$24.550	2.292%	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Options on Three Morgan Stanley Sector Indexes To Start TradingToday on Chicago Exchange NEW YORK -- The Chicago Board Options Exchange today will begin trading options on three new Morgan Stanley sector indexes, giving investors added alternatives in managing risk and exp osure in these areas. ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Accenture Teams With Halliburton's Landmark Graphics Unit On New Integrated Services for DALLAS--(BUSINESS WIRE)--Oct. 22, 2001--Joint Offering Combines Consulting, Data Management , Applications Hosting and Outsourcing to Reap New Value From ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/22/2001	3,601,500	$24.550	2.292%	Factiva	RESEARCH ALERT-UBS Warburg lifts Halliburton. NEW YORK, Oct 22 (Reuters) - UBS Warburg said on Monday it raised its rating on energy servi ces company Halliburton Co. to "strong buy" from "buy" with a $38 price target. ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	FIRST GOLDWATER RESOURCES INC - Coalinga Nose 1-1 Well About ToRe-Commence. Vancouver, BC, Oct 22, 2001 (Market News Publishing via COMTEX) - First Goldwater Resources Inc. (the "Company") is pleased to announce that the operator has informed the Company that they anticipate that work is expected to re-commence ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Shell Chemical. Elsewhere on the petrochemicals front, Shell Chemical awarded Halliburton unit Kellogg Brown & Root a contract to debottleneck its olefins plant in Deer Park, Tex. Work will include in tegrated engineering, procurement, construction, and ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Upgrades & Downgrades RHONDA SCHAFFLER, CNNfn ANCHOR, MARKET CALL: Time now for today's upgrades and downgrades. U BS Warburg upgrading Halliburton (URL: http://www.halliburton.com/) to strong buy from buy based on its bullish view for the oil field service ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Abu Dhabi gas award. (Middle East & Africa).(Abu Dhabi Marine Operating Co.)(Brief Artic l The Abu Dhabi Marine Operations Company (Adma-Opco) has awarded a $47mn engineering, design procurement and construction management contract to Kellogg Brown and Root, a subsidiary of US company Halliburton, for a gas injection project at ...
10/22/2001	3,601,500	$24.550	2.292%	Factiva	Accenture Ltd. Teams With Halliburton Company On New IntegratedServices for the Oil and G Date Announced: 20011022 Accenture Ltd. and Halliburton Company announced that they have sig ned an alliance between Accenture and Landmark Graphics Corporation, a wholly owned business unit of Halliburton. Under the alliance, Landmark, a ...
[illegible]/22/2001	3,601,500	$24.550	2.292%	Factiva	Halliburton Company Teams With Accenture Ltd. On New IntegratedServices for the Oil and G Date Announced: 20011022 Halliburton Company and Accenture Ltd. announced that they have ent ered an alliance between Accenture and Landmark Graphics Corporation, a wholly owned busines s unit of Halliburton. Under the alliance, Landmark, a ...
10/23/2001	4,522,000	$24.860	1.263%	CIBC World Markets	HAL: Management Delivers, But The Industry Won&C"t Cooperate
10/23/2001	4,522,000	$24.860	1.263%	Factiva	Halliburton third-quarter earnings rise. HOUSTON, Oct 23 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services company, a aid on Tuesday its third-quarter earnings rose despite weakening oil and natural gas prices. ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	CORRECTED - TABLE - Halliburton Q3 shr $0. In the Thomson Financial/First Call consensus please correct the consensus to read "$0.42" i nstead of "$0.15". A corrected version follows. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/23/2001	4,522,000	$24.860	1.2636	Factiva	Halliburton Posts Record Profits DALLAS, Oct. 23 /PRNewswire/ -- Halliburton Company (NYSE: HAL) reported today 2001 third qu arter net income of $179 million ($0.42 per diluted share). Net income from continuing opera tions was $181 million ($0.42 per diluted share). An ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	UPDATE 2-Halliburton meets expectations as earnings rise. (Adds analyst comments paragraphs 5 and 6, operational detail paragraphs 12 and 13) HOUSTON, Oct 23 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services company, said on T uesday its third-quarter earnings rose despite weakening ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	News Highlights: Compaq 3Q Oper Loss 7c/Share, Below View Top Of The Hour Compaq Computer 3Q Oper Loss 7c/Share, 1c Wider Than First Call View >CPQ AT &T Corp. 3Q Net Cont Ops 4c/Share; First Call 4c/Share >T Amazon.com 3Q Pro Forma Loss 16c/S hare; Sees Pro Forma Profit In 4Q >AMZN Halliburton Co ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	News Highlights: Compaq 3Q Oper Loss 7c/Share, Below View Top Of The Hour Compaq Computer 3Q Oper Loss 7c/Share, 1c Wider Than First Call View >CPQ AT &T Corp. 3Q Net Cont Ops 4c/Share; First Call 4c/Share >T Amazon.com 3Q Pro Forma Loss 16c/S hare; Sees Pro Forma Profit In 4Q >AMZN Halliburton Co ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	Halliburton Co. 3Q Net 42c A Share (Corrected 04:44 PM) 04:05 PM Halliburton Co. - Dallas 3rd Quar June 30: 2001 2000 Revenues $3,391,000,000 $3,024,000,000 Inc cont op 181,000,000 130,000,000 Inc ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	Mixed earnings from U.S. oilfield services duo. HOUSTON, Oct 23 (Reuters) - Halliburton Co. , the world's No. 1 oilfield services company, r eported higher third-quarter earnings on Tuesday that met Wall Street's expectations, but in dustry No. 2 Schlumberger Ltd. saw its earnings dip and ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	WSJ: Halliburton Sees Cutting Cap Spending By Half In '02 HOUSTON -(Dow Jones)- Halliburton Co. (HAL) said it expects to slash its capital expenditure budget by about half next year, reflecting a cautious approach to the oil-drilling marketpl ace. ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	Halliburton 3Q Earnings Rise DALLAS (AP) - Halliburton Co., the largest U.S. oil field-services company, said Tuesday tha t its third-quarter earnings rose 14 percent despite falling oil and natural gas prices. ...
10/23/2001	4,522,000	$24.860	1.2636	Factiva	Halliburton earnings rise DALLAS (AP) - Halliburton Co., the largest U.S. oilfield-services company, said Tuesday that its third-quarter earnings rose 14 percent despite falling prices for oil and natural gas. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/23/2001	4,522,000	$24.860	1.263%	Factiva	Halliburton earnings rise DALLAS (AP) - Halliburton Co., the largest U.S. oil field-services company, said Tuesday tha t its third-quarter earnings rose 14 percent despite falling oil and natural gas prices. ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	Lester Coleman (36)Halliburton Company. Lester Coleman (36)Halliburton Company As a vice presidential candidate, Dick Cheney had to unload his considerable stock in Halliburton Company, where he'd been president and chief ex ecutive officer. Lester Coleman, Halliburton's executive ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	Few Young Engineers Threaten Oil Production, Says Landmark. Lagos, Oct 15, 2001 (Financial Standard/All Africa Global Media via COMTEX) -Landmark Nigeri a Limited, a subsidiary of Halliburton has said that inadequate employment of young graduate engineers by oil producing firms would impact ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	PLATT'S - HALLIBURTON Q3 NET INCOME RISES TO $179-MIL (42 CTS/SH). New York (Platts)-23Oct2001/428 pm EDT/2028 GMT Oilfield services major Halliburton Tuesday said its third quarter net income rose to $179-mil (42 cts/share), a 14% gain from earnings of $157-mil (35 cts/share) for the same period a year ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	PLATT'S - Federal court finds for Halliburton in blowout case. Washington (Platts)-23Oct2001/433 pm EDT/2033 GMT A federal court in Louisiana has reversed a lower court ruling and found that Halliburton was not grossly negligent in conducting a dr ill stem test on a Gulf of Mexico natural gas well that ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	PLATT'S - Halliburton eyes three LNG deals by year-end - CFO. Houston (Platts)-23Oct2001/534 pm EDT/2154 GMT New Halliburton CFO Doug Foshee said late Tue sday the company expects to snag several large liquefied natural gas project awards by year-end. While not mentioning which projects are involved or ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	INTERVIEW-Halliburton says asbestos liability fears overblown. HOUSTON, Oct 23 (Reuters) - Halliburton Co. said on Tuesday it was taking asbestos liability claims against the company seriously but that some investors are making too much of the iss ue, leading to a lower valuation for its stock. ...
10/23/2001	4,522,000	$24.860	1.263%	Factiva	Halliburton earnings rise DALLAS (AP) - Halliburton Co., the largest U.S. oil field-services company, said that its th ird-quarter earnings rose 14 percent despite falling oil and natural gas prices. ...
10/23/2001	4,522,000	$24.860	1.263%	PR News	Halliburton Posts Record Profits
10/23/2001	4,522,000	$24.860	1.263%	SunTrust Robinson	HAL: Sept. Q In Line; Reducing Outlook
10/24/2001	6,229,800	$24.930	0.362%	A.G. Edwards & Son	Halliburton - 3Q2001 EPS IN LINE AND ASBESTOS CLAIMS SLOW -WEAKER MACRO OUTLOOK, BUT VALUATI ON ATTRACTIVE

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/24/2001	6,229,800	$24.950	0.362%	ABN AMRO Global Re	Halliburton Company: In-Line Results; Outlook Remains Cloudy
10/24/2001	6,229,800	$24.950	0.362%	Deutsche Bank Rese	Strong Q3 Earns., Growing E&C Backlog, Better Asbestos News Offsets Weaker US Outlook
10/24/2001	6,229,800	$24.950	0.362%	Factiva	Halliburton, Schlumberger Show Strength In Earnings on Robust Drilling Activity Amid a strengthening international drilling market and a stubbornly strong North American ma rket, earnings for energy-service companies Halliburton Co. and Schlumberger Ltd. were stron g in the third quarter. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	TBX Resources Inc. Announces Drilling Completed on First Well in the Vici Project DALLAS--(BUSINESS WIRE)--Oct. 24, 2001--TBX Resources Inc. (OTCBB:TBXR) announced today that the first well in the Vici Project has been drilled to a total depth of 11,200 feet and is now going into the testing and completion phase. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	TTS Technology wins NOK40m contract from Halliburton TTS-Akro AS, a subsidiary of the Norwegian industrial group TTS Technology ASA, has received a letter of intent regarding a contract for pull-in winch systems from Kellogg Brown & Root Inc, a company in the Halliburton group. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	Norwegian TTS Technology Awarded Letter Of Intent for 5.0 Mln Euro Contract from Kellogg Norwegian crane and cargo-handling systems provider TTS Technology ASA has received a letter of intent for a contract worth 40 mln Norwegian crowns ($4.5 mln/5.0 mln euro) on delivery of a Pull-In Winch system to U.S.-based Kellogg Brown & ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	HALLIBURTON AND DSND HOOK-UP Halliburton and DSND are combining their offshore construction and support fleets in a new a nd as yet unnamed company which will be headquartered in Aberdeen. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	Oilfield Services Firm Halliburton Reports 39 Percent Rise in Net Income Halliburton Co. said Tuesday that third-quarter net income from continuing operations rose 3 9 percent, to $181 million from last year's $130 million, despite declining oil and natural gas prices. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	KBR wins pipeline contract. Kellogg Brown & Root will provide phase one engineering, procurement and construction for a new gas pipeline. The $A250m, 660-kilometre pipeline will run from Port Campbell in Victoria to Adelaide, transporting gas to South Australia from ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	Halliburton Reports Net Income of $179 Million; Earnings Drop for Schlumberger Halliburton, the nation's largest oil-field services company, said profits rose to record le vels in the third quarter. While revenues from its engineering and construction group slippe d slightly, the revenues from its wide-ranging energy ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/24/2001	6,229,800	$24.950	0.362%	Factiva	REGALIA REINS IN NEW NORTH SEA WORK Halliburton Subsea's MSV Regalia offshore construction ship is set to stay in the North Sea theatre until the end of next year with new work contracts which have been signed. ...
10/24/2001	6,229,800	$24.950	0.362%	Factiva	Halliburton profits are best ever; Schlumberger figures off slightly Halliburton, the nation's largest oil-field services company, said profits rose to record le vels in the third quarter. While revenues from its engineering and construction group slippe d slightly, the revenues from its wide-ranging energy ...
10/24/2001	6,229,800	$24.950	0.362%	Jefferies & Compan	Halliburton Company: HAL: Lowering 2002 EPS Estimate To $1.40 from $1.73; Trimming Target
10/24/2001	6,229,800	$24.950	0.362%	RBC Capital Market	HAL:H-;HALLIBURTON REPORTS IN LINE, REDUCING EXPECTATIONS GOING FORWARD
10/24/2001	6,229,800	$24.950	0.362%	Southwest Securiti	HAL-NYSE/REITERATING BUY RATING DESPITE DOWNWARD EARNINGS REVISIONS
10/25/2001	5,048,300	$27.380	9.619%	Factiva	TBX RESOURCES INC - Drilling Completed on First Well in the Vici Project. New York, New York, Oct 25, 2001 (Market News Publishing via COMTEX) - TBX Resources Inc. an nounced that the first well in the Vici Project has been drilled to a total depth of 11,200 feet and is now going into the testing and completion ...
10/26/2001	7,776,600	$27.920	2.004%	Factiva	First Production Flows from Gasco Energy's Uinta Basin Wells Halliburton Selected as Lead Contractor on Uinta Basin Wells Burlington Commences Activities in Green River Basin DENVER, Oct. 26 /PRNews-Wire/ -- Gasco Energy, Inc. (OTC Bulletin Board : GASE) today announced its first ...
10/26/2001	7,776,600	$27.920	2.004%	Factiva	Halliburton 2001 Fourth Quarter Dividend DALLAS, Oct. 26 /PRNewswire/ -- Halliburton Company (NYSE: HAL) announced today that its boa rd of directors has declared a 2001 fourth quarter dividend of 12.5 cents a share on the com pany's common stock payable December 20, 2001 to ...
10/26/2001	7,776,600	$27.920	2.004%	Factiva	Hospital fund gets $10,000 boost from gig. Alan Gorham use logo FUNDRAISING team leaders at the Archie Foundation were "gobsmacked" yes terday, when a $10,000 donation from Deeside's Glassel Gig was announced. About 3,000 people turned out for the 12-hour music festival at Glassel ...
10/26/2001	7,776,600	$27.920	2.004%	Factiva	Halliburton, Weatherford Report Higher Third-Quarter Earnings. Oil-field services giants Halliburton and Weatherford posted sharply higher earnings and rev enue in the third quarter, despite falling North American natural gas prices and stumbling o il prices. ...
10/26/2001	7,776,600	$27.920	2.004%	Factiva	REVERSAL ON HALLIBURTON CASE A federal court in Louisiana has reversed a lower court ruling and found Halliburton was not grossly negligent in conducting a drill-stem test on a Gulf of Mexico natural gas well that blew out. The suit alleging Halliburton's responsibility ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/26/2001	7,776,600	$27.920	2.084%	Factiva	PLATT'S - Output starts from Gasco's Uinta Basin gas project. Edinburgh (Platts)-26Oct2001/958 am EDT/1358 GMT US' Gasco Energy Friday said production has started from its Riverbend project in the Uinta Basin of northeastern Utah. Partner Phillip e operates the find and is fine-tuning the production ...
10/26/2001	7,776,600	$27.920	2.084%	Factiva	Halliburton Company and Gasco Energy, Inc. to Join Efforts on Uinta Basin Wells Date Announced: 20011026 Gasco Energy, Inc. announced that it has signed a letter of intent with Halliburton Company, selecting Halliburton as Lead Contractor to drill and complete up to 10 wells within Gasco's Riverbend Project Area.
10/26/2001	7,776,600	$27.920	2.084%	Factiva	MaverickTrader.Com Announces Investment Opinion on Qwest, Williams Communications, Hall SHREVEPORT, La.--(BUSINESS WIRE)--Oct. 26, 2001-- MaverickTrader.Com Stock Picks (http://ww w.mavericktrader.com) Senior Editor, Dewey Burchett rates key stocks for the week ahead: ..
10/26/2001	7,776,600	$27.920	2.084%	PR News	First Production Flows From Gasco Energy's Uinta Basin Wells
10/26/2001	7,776,600	$27.920	2.084%	PR News	Halliburton 2001 Fourth Quarter Dividend
10/29/2001	4,240,800	$27.800	(0.430%)	Deutsche Bank Rese	Surveying the Prospects - Oilfield Services Weekly Ruminations
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	Landmark Gives $33.0 Million in Integrated E&P Software and Services; Ten Universities Re DALLAS--(BUSINESS WIRE)--Oct. 29, 2001--Landmark Graphics Corp., a wholly owned business uni t of Halliburton Company (NYSE:HAL), today announced that it has awarded $33.0 million in in tegrated software and services to ten universities. Six ...
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	Free new ratings on Qwest, Williams Communications, Halliburton, Micron Tech, Goto.Com MaverickTrader.Com Stock Picks (http://www.mavericktrader.com) Senior Editor, Dewey Burche tt rates key stocks for the week ahead: "Based on fundamental, technical, and news-related i ssues, MaverickTrader.Com believes the next week will find ...
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	DOE WILL SPEND $48 MILLION ON PROJECTS TO STUDY METHANE HYDRATES DOE WILL SPEND $48 MILLION ON PROJECTS TO STUDY METHANE HYDRATES as an option for future fue l resources and whether they pose dangerous impediments to oil and gas drilling. the departm ent's Strategic Center for Natural Gas in Morgantown, W ...
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	IT'S TRUE. When American adventurer Richard Halliburton swam the length of the Panama Canal in 1928 he was charged the standard cargo tonnage rate for his 63.5kg body 36 cents.
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	Halliburton Company's Unit Gives $33.0 Million in Integrated E&P Software and Services Date Announced: 20011029 Landmark Graphics Corp., a wholly owned business unit of Halliburto n Company, announced that it has awarded $33.0 million in integrated software and services t o ten universities. Six universities received renewals ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/29/2001	4,240,800	$27.800	(0.430%)	Factiva	Still Accumulate Halliburton; Also: Analysts' opinions on Lockheed Martin and JDS Uniphas Halliburton (HAL):Raised to 4 STARS (accumulate) Analyst: Tina Vital The oil company reporte d a Q3 EPS of $0.42 vs. $0.29, before special items,in line with the Street consensus. Sales were up 12%. Operating incomeincreased 38% as earnings ...
10/29/2001	4,240,800	$27.800	(0.430%)	Johnson Rice & Com	HAL - Q3:01 Update
10/30/2001	4,798,200	$26.350	(5.216%)	A.G. Edwards & Son	HALLIBURTON - MISSISSIPPI JURY AWARDS $150MM TO ASBESTOS PLAINTIFFS - VIGOROUS APPEAL EXPECT ED
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Network Appliance and Landmark Graphics Expand Partnership to Provide Storage Solutions f SUNNYVALE, Calif.--(BUSINESS WIRE)--Oct. 30, 2001--Network Appliance, Inc. (Nasdaq:NTAP), th e leading provider of network-attached data access and content delivery solutions, and Landm ark Graphics Corporation, a wholly owned business unit ...
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Dasher Energy Corp - Dasher notified of Coslinga Nose 1-1 results Mr. Derek Huston reports The operator has informed the company that the well has been logged with the Halliburton TDML log. Results from the logging indicate 91 feet of excellent shows that show very good resistivity and correlate to the ...
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Condor Gold Fields Inc - Condor Gold receives update on Coslinga Nose 1-1 well Mr. Graeme Sewell reports The operator has informed the company that the well has been logge d with the Halliburton TDML log. Results from the logging indicate 91 feet of excellent show s that show very good resistivity and correlate to the ...
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Halliburton disputes asbestos claims. A jury in Holmes County, MS, rendered a verdict on 26 Oct 2001, against three companies in a n asbestos case in favour of six plaintiffs for a total of $150 M. Halliburton's subsidiary, Dresser Industries Inc, was a defendant in two of the ...
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Network Appliance, Inc. and Landmark Graphics Expand Partnership to Provide Storage Solut Date Announced: 20011030 Network Appliance, Inc. and Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced that Network Appliance storage soluti ons, including the new high-performance NetApp F880 ...
10/30/2001	4,798,200	$26.350	(5.216%)	Factiva	Halliburton Disputes Asbestos Claims DALLAS, Oct. 30 /PRNewswire/ -- A jury in Holmes County, Miss., rendered a verdict on Friday , October 26, 2001, against three companies in an asbestos case in favor of six plaintiffs f or a total of $150 million. Halliburton's (NYSE: HAL ...
10/30/2001	4,798,200	$26.350	(5.216%)	PR News	Halliburton Disputes Asbestos Claims
10/31/2001	7,666,600	$24.690	(6.300%)	A.G. Edwards & Son	Halliburton - Asbestos Case in Small Mississippi Town Yields $150 Million Jury Award Against HAL, MMM and Others - Vigorous Appeal Expected

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
10/31/2001	7,446,000	$26.690	(6.300%)	Factiva	Halliburton KBR and Partners Receive Go-Ahead for Preliminary Work for Further Expansion NLNG Plus Will Add Two Trains to Bonny Island Operation BONNY ISLAND, Rivers State, Nigeria, Oct. 31 /PRNewswire/ -- Nigeria LNG Limited has awarded a preliminary letter of intent for initial works for the realisation of the trains 4 and 5 ...
10/31/2001	7,446,000	$26.690	(6.300%)	Factiva	Olso bourse calls for insider dealing investigation in DSND Subsea. According to Per Ekrem, head of information of the Oslo bourse, the Norwegian banking and i nsurance sector watchdog Kredittilsynet, has been asked to look into a possible leakage of s ensitive information, or even insider dealing, in the ...
10/31/2001	7,446,000	$26.690	(6.300%)	Factiva	Roger's talk. FORMER Olympic medallist Roger Black last night celebrated the 10th anniversary of the Inves tors In People programme at an event in Aberdeen. The IIP Club-organised dinner at the Aberd een Marriott Hotel at Dyce was attended by delegates ...
10/31/2001	7,446,000	$26.690	(6.300%)	PR News	Halliburton KBR and Partners Receive Go-Ahead for Preliminary Work for Further Expansion of Nigerian LNG Plant
11/01/2001	6,659,800	$23.990	(2.876%)	Factiva	Halliburton KBR Adds Experience Depth and Breadth With GVA Consultants Acquisition Sweden-Based GVA Consultants Has 20+ Years of Experience Designing And Building Semisubmersi bles for the Offshore Industry DALLAS, Nov. 1 /PRNewswire/ -- Halliburton KBR, formerly Kell ogg Brown & Root, has acquired GVA ...
11/01/2001	6,659,800	$23.990	(2.876%)	Factiva	News Highlights: Berkshire Near To Buy Fruit Of The Loom Top Of The Hour Berkshire Hathaway Near Deal To Buy Fruit Of The Loom For $40M -WSJ >BRKA A OL Time Warner Names Kelly, Operating Chief Of America Online >AOL Lockheed Martin: May Incl ude Boeing In Fighter Project >BA ...
11/01/2001	6,659,800	$23.990	(2.876%)	Factiva	News Highlights: Berkshire Near To Buy Fruit Of The Loom Top Of The Hour Berkshire Hathaway Near Deal To Buy Fruit Of The Loom For $40M -WSJ >BRKA A OL Time Warner Names Kelly, Operating Chief Of America Online >AOL Lockheed Martin: May Incl ude Boeing In Fighter Project >BA ...
11/01/2001	6,659,800	$23.990	(2.876%)	Factiva	Halliburton KBR Receives Contract for Deepstar Ultra Deepwater$par/DDCV Study HOUSTON, Nov. 1 /PRNewswire/ -- Halliburton KBR has been awarded a contract for a conceptual engineering study of a Spar/Deep Draft Caisson Vessel (DDCV) in 10,000 ft water depth in th e Gulf of Mexico. The R&D study is sponsored and funded ...
11/01/2001	6,659,800	$23.990	(2.876%)	Factiva	Asbestos damages awarded against Halliburton. HOUSTON, Nov 1 (Reuters) - Halliburton Co., the world's biggest oilfield services firm, wa s a state court jury in Mississippi awarded $21.25 million in compensatory damages against t he company in an asbestos liability case. ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Goggles clarify risks of drinking STATESBORO -- Georgia Southern University students are getting an eye-opening look at the da ngers of excessive drinking thanks to the health education tool known as the "fatal vision" goggles. Since 1999, health officials have attempted to ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	UPDATE 1-Asbestos damages awarded against Halliburton. HOUSTON, Nov. 1 (Reuters) - A Mississippi jury has awarded asbestos liability damages of $21 .25 million against Halliburton Co. , the world's biggest oilfield services firm, and the co mpany's stock fell for a fourth day. ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	SIX PROJECTS GET $40 MILLION FOR METHANE-HYDRATE STUDIES The Department of Energy will spend $40 million on projects to study methane hydrates as an option for future fuel resources, and whether they pose dangerous impediments to oil and gas drilling. DOE's Strategic Center for Natural Gas in ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Global Finance honors top companies Best Companies 2001 Senior executives representing 41 companies from around the world attend ed an award ceremony hosted by Global Finance in New York on October 4 to honor the recipien ts of its 2001 World's Best Companies awards. "We think ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Online foreign exchange trading steadily emerges Though growth may not be as wild as many had expected, the Internet is gradually being used more by corporate treasurers and money managers seeking to trade currencies. ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Cimbar Performance Minerals. (Company News). Cimbar Performance Minerals, Cartersville, GA, has appointed Cebo Holland B.V. sales represe ntative for Cimbar's Organotrol organoclay product line in Europe. Cebo is a partnership of Cement Bouw and Halliburton Services, and supplies raw ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Statoil recently awarded contracts for well services in connection with developing its Kv Statoil recently awarded contracts for well services in connection with developing its Kvite bjorn gas and condensate field in the North Sea. Prosafe secured the contract for production drilling and maintenance of the drilling package. Baker ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Brazil's long deepwater horizontal gravel pack. (DRILLING & PRODUCTION).(Halliburton Serv A successful completion of the longest deepwater horizontal gravel pack (HGP) was performed by placing 75,000 lb of gravel for an operator in offshore Brazil. Halliburton Services Ltd s completed the HGP in a 832-meter openhole section in ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Ability to control unwanted water. (DRILLING & PRODUCTION).(Halliburton production manage Unwanted water and gas production and disposal can be a huge problem globally, with most wel ls producing more water than oil. The ability to control unwanted water and gas health can m ean the difference between an economic well and a ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	US Commerce and Development Agency to Carry on Odessa-Brody Project. The US Commerce and Development Agency has signed an agreement with the Ukrainian UKRTRANSNE FT company for a $125,000 grant to study the expediency of Caspian oil transit through the O

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					dessa-Brody pipeline to Europe. ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	Weatherford International, Inc., acquired the artificial lift assets of axelson and guibe Weatherford International, Inc., acquired the artificial lift assets of Axelson and Guiberso n Well Service from Halliburton. Weatherford also acquired the assets of America Casedhole S pecialists Inc. and ACE Crane and Equipment Co.
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	PLATT'S - Halliburton KBR acquires Swedish semisubmersible builder. New York (Platts)-1Nov2001/333 pm EST/2033 GMT Halliburton KBR, the engineering and construc tion unit of oil services provider Halliburton, Thursday said it has acquired GVA Consultant s AB from British Maritime Technology Limited for an ...
11/01/2001	6,659,800	$23.980	(2.876%)	Factiva	PLATT'S - Halliburton to study new ultra-deepwater drilling system. New York (Platts)-1Nov2001/440 pm EST/2140 GMT Halliburton KBR Thursday said it has been aig ed to a conceptual engineering study of a spar-deep draft caisson vessel (DDCV) capable of o perating in Gulf of Mexico waters 10,000 ft deep. The Ka ...
11/01/2001	6,659,800	$23.980	(2.876%)	PR News	Halliburton KBR Adds Experience Depth and Breadth With GVA Consultants Acquisition
11/01/2001	6,659,800	$23.980	(2.876%)	PR News	Halliburton KBR Receives Contract for DeepStar Ultra Deepwater Spar/DDCV Study
11/02/2001	3,809,400	$23.360	(2.585%)	Factiva	GASCO Energy will drill 10 additional wells ..... GASCO Energy will drill 10 additional wells on its Riverbend project area in Utah following successful completion of two wildcats late last week. ...
11/02/2001	3,809,400	$23.360	(2.585%)	Factiva	Halliburton Company Receives Contract for DeepStar Ultra Deepwater Spar/DDCV Study Date Announced: 20011101 Halliburton KBR announced that it has been awarded a contract for a conceptual engineering study of a Spar/Deep Draft Caisson Vessel in 10,000 ft water depth i n the Gulf of Mexico. The R&D study is sponsored ...
11/05/2001	5,190,300	$22.590	(3.296%)	Deutsche Bank Rese	Surveying the Prospects: Oilfield Services Weekly Ruminations
11/05/2001	5,190,300	$22.990	(3.296%)	Factiva	The Arts - Lucy puzzles it out. Lucy Bailey's new production with the Gogmagogs, Troy Town, explores the maze. But Rachel We illburton finds she knows where she's going Amid the tales of incest, fierce rivalries among the gods, and bizarre transformations in Greek ...
11/05/2001	5,190,300	$22.590	(3.296%)	Factiva	Halliburton KBR Acquires Swedish Designer of Oil, Gas Production Platforms Halliburton KBR has acquired GVA Consultants, a Swedish company that designed more than half the world's semisubmersible oil and gas production platforms built during the past decade. ...
11/05/2001	5,190,300	$22.590	(3.296%)	Factiva	AWARDS & SETTLEMENTS - ASBESTOS DAMAGES LIABILITY, UNITED STATES Houston, Nov 1 - A Mississippi jury has awarded asbestos liability damages of $21.25 million against Halliburton Co. (HAL), the world's biggest oilfield services firm, and the company'

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					a stock fell for a fourth day. Halliburton said the ...
11/09/2001	5,190,300	$22.390	(3.296%)	Factiva	DEEPWATER SYSTEM Halliburton KBR said Nov 1 it has been hired to do a conceptual engineering study of a spar-deep draft caisson vessel (DDCV) capable of operating in Gulf of Mexico waters 10,000 feet d eep. The study is being funded by DeepStar, which is ...
11/08/2001	7,184,200	$21.720	(3.851%)	Factiva	MaverickTrader.Com Announces Investment Opinion with New Ratings on Comcast, IBM, Cendant SHREVEPORT, La --[BUSINESS WIRE]--Nov. 8, 2001--MaverickTrader.Com Stock Picks (http://www. mavericktrader.com/?src=bis) Senior Editor, Dewey Burchett rates key stocks for the next 5-10 days: ...
11/07/2001	6,431,300	$22.150	1.980%	Capital One Southc	HAL: 3Q Results; Revising Estimates, Price Target
11/07/2001	6,431,300	$22.150	1.980%	Factiva	GVA goes to Halliburton One of the world's best known offshore design houses - which has been instrumental in helpin g BP's Crazy Horse project take off - has been added to the Halliburton empire. ...
11/07/2001	6,431,300	$22.150	1.980%	Factiva	Daewoo does it for Crazy Horse South Korea's Daewoo Shipbuilding & Marine Engineering has clinched a US $380m contract to b uild the semisubmersible production platform for BP's Crazy Horse field in the US Gulf - the biggest find there so far. ...
11/07/2001	6,431,300	$22.150	1.980%	Factiva	DeepStar contracts sparring partner DeepStar, the US Gulf of Mexico deepwater operations research programme, has awarded Hallibu rton KBR a contract to investigate a design for a new super deep production platform. ...
11/07/2001	6,431,300	$22.150	1.980%	Factiva	An artist's impression of the world's largest steel semi-submersible production... An artist's impression of the world's largest steel semi-submersible production and drilling unit designed by GVAfor BP and to be built at Daewoo. It is destined to operate in more tha n 6,000 feet of water in the Gulf of Mexico Crazy Horse ...
11/07/2001	6,431,300	$22.150	1.980%	Factiva	PRICE TARGET CHANGES: Hibernia Southcoast Capital Hibernia Southcoast changed its price targets on the following stocks Wednesday: Company Nam e Symbol New Target Old Target Current Timespan Price Price Price Stone Energy ...
11/07/2001	6,431,300	$22.150	1.980%	Factiva	Applied Power Inc. Hires Politis Communications to Help Launchits New Line of Notebook Ca Date Announced: 19990809 Zero Halliburton, a unit of APW Zero Cases, a subsidiary of Applied Power Inc. announced it has hired Politis Communications of Draper, Utah to help launch the Company's new line of notebook carrying cases.
11/06/2001	5,342,700	$22.720	2.573%	Factiva	New Ratings on Comcast, IBM, Cendant, Halliburton, and Washington Mutual MaverickTrader.Com Stock Picks (http://www.mavericktrader.com/?src=m2) Senior Editor, Dewe y Burchett rates key stocks for the next 5-10 days: ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/08/2001	5,342,700	$22.720	2.8739	Factiva	Halliburton: 146,000 Open Asbestos Claims As Of Sept 30 ISSUER: HALLIBURTON CO. SYMBOL: HAL 11:08 DJ CFA SOURCE:SEC 10-Q ISSUER: HALLIBURTON CO. SYMBOL: HAL QUARTER ENDED: 09/30/2001 SEC RECEIVED: 11/08/2001 ...
11/09/2001	4,779,100	$22.760	0.1789	Factiva	Deep in study. from Houston Halliburton KBR wins contract to explore deep-water spar concept HALLIBURTON KBR - the engineering and construction arm of the oil service giant - has been awarded a contract to conduct a conceptual engineering study of a spar ...
11/09/2001	4,779,100	$22.760	0.1789	Factiva	Halliburton ties up purchase of GVA. HALLIBURTON KBR has confirmed that it has bought premier semi-submersible designers GVA Consultants from British Maritime Technology for an undisclosed amount, writes Mark Millier. ...
11/12/2001	3,518,600	$22.790	0.1329	Deutsche Bank Rese	Surveying the Prospects: Oilfield Services Weekly Ruminations
11/12/2001	3,518,600	$22.790	0.1329	Factiva	DeepStar. The DeepStar consortium let contract for a conceptual engineering study of a spar-deep draft caisson vessel that could work in 10,000 ft of water in the Gulf of Mexico. Halliburton KBR, formerly Kellogg Brown & Root, began work on the ...
11/12/2001	3,518,600	$22.790	0.1329	Factiva	ELECTRONIC SYSTEM ALERTS OIL, GAS COMPANIES OF POTENTIAL THREATS Eleven oil and gas companies have begun sharing information on potential physical and electronic threats to pipelines and other infrastructure in response to a report from the National Petroleum Council. The Energy Information Sharing and ...
11/13/2001	3,939,600	$23.000	0.9219		
11/14/2001	5,360,700	$21.600	(6.0870)	Factiva	Green mud taps costs. WORLDWIDE, the oil industry suffers an estimated $2 billion loss every year due to collapsed and sidetracked holes, lost tools and abandoned wells. ...
11/15/2001	10,773,000	$20.090	(7.1760)	Factiva	ENERGY DATA SHARING NETWORK IMPLEMENTED TO MONITOR VULNERABILITY AND PROTECT SECURITY OF An Energy Information Sharing and Analysis Center began operation on 11/1/01 in fulfillment of a key recommendation of the National Petroleum Council's recently completed and approved study on critical infrastructure protection (Securing ...
11/15/2001	10,773,000	$20.090	(7.1760)	Factiva	MaverickTrader.Com Announces Investment Opinion with New Ratings on Schlumberger, Halliburton SHREVEPORT, La.--(BUSINESS WIRE)--Nov. 15, 2001--MaverickTrader.Com Stock Picks (http://www.mavericktrader.com/?zro=bis) Senior Editor, Dewey Burchett rates key stocks for the next 5-10 days: ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/16/2001	7,668,300	$20.260	1.0479	Factiva	Halliburton wins $140 mln Saudi Aramco deal. RIYADH, Nov 16 (Reuters) - State-owned Saudi Aramco has awarded U.S. oilfield services firm Halliburton Co a $140 million contract to help develop a main oil field, the firm said. ...
11/16/2001	7,668,300	$20.260	1.0479	Factiva	TBX Resources, Inc. Announces the Acquisition of Additional Acreage in the Vici Prospect DALLAS--(BUSINESS WIRE)--Nov. 16, 2001--TBX Resources, Inc. (OTCBB:TBXR), an independent energy company engaged in the acquisition, production and development of proven domestic natural gas and crude oil reserves, is pleased to announce the ...
11/16/2001	7,668,300	$20.260	1.0479	Factiva	TBX RESOURCES INC - Acquisition of Additional Acreage in the Vici Prospect. New York, New York, Nov 16, 2001 (Market News Publishing via COMTEX) - TBX Resources, Inc., an independent energy company engaged in the acquisition, production and development of proven domestic natural gas and crude oil reserves, is ...
11/10/2001	.	.	.	Factiva	Company Profile For - HALLIBURTON AS. 1. Transaction Type 01 2. Registration Number 971594934 3. Report Type M 4. Company Name HALLIBURTON AS 5. Address Pb. 200 Forus 6. Postal Code 4065 ...
11/10/2001	.	.	.	Factiva	Consortium to build Saudi ethylene plant RIYADH, Nov 10 (AFP) - A consortium grouping Halliburton KBR of the United States and Japan's Chiyoda Corporation and Mitsubishi were chosen Sunday to build a petrochemical plant in eastern Saudi Arabia, the official SPA news agency ...
11/10/2001	.	.	.	Factiva	Saudi SABIC unit awards ethylene plant contract. DUBAI, Nov 10 (Reuters) - A unit of industrial giant Saudi Basic Industries Corp (SABIC) has awarded a contract to build an ethylene plant to three international firms, the official Saudi Press Agency reported on Sunday. ...
11/10/2001	.	.	.	Factiva	PLATT'S - SABIC affiliate awards 1-mil mt ethylene project. Dubai (Platts)-10Nov2001/728 am EST/1228 GMT Jubail United Petrochemical Company (UNITED), a wholly owned affiliate of Saudi Arabia's giant SABIC, has awarded an engineering, procurement and construction contract for a 1-mil mt ethylene ...
11/19/2001	7,189,000	$20.350	0.4444	Deutsche Bank Asse	Surveying the Prospects - Oilfield Services Weekly Ruminations
11/19/2001	7,189,000	$20.350	0.4444	Factiva	AME Info, Abu Dhabi, United Arab Emirates, Business Briefs Column UAE-INDIAN BROKERAGE FOR NRIS: Barjeel Securities has launched stock broking and depository services for non-resident Indians in the UAE. The firm is a joint venture between the Al Saud Group of the UAE and Geojit Securities of India ...
11/19/2001	7,189,000	$20.350	0.4444	Factiva	TBX buys offset acreage DALLAS (JB) -- TBX Resources has bought additional offset acreage in the Vici Prospect. The purchase by the Dallas-based company was in anticipation of a successful completion of the first well drilled in the Vici Prospect, which is located ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/19/2001	7,189,000	820.350	0.4448	Factiva	Halliburton Wins Saudi Deal. State-owned Saudi Aramco has awarded US oil-field services firm Halliburton a $140 million c ontract to help develop a main oil field, the firm said. ...
11/19/2001	7,189,000	820.350	0.4448	Factiva	FIVE FIRMS SHARE CLEANUP OF RUSSIAN WEAPON SITES The Defense Threat Reduction Agency has made its largest award ever, a $5-billion indefinite delivery, indefinite quantity contract to be shared by five major E&C companies. The five-y ear contract was awarded to Parsons Corp., Bechtel ...
11/19/2001	7,189,000	820.350	0.4448	Factiva	13 oil well explorations to be carried out next year. According to Halliburton del Peru, nearly 13 oil well explorations will be conducted in Peru during next year and 19 over 2003, up from this year's 8 explorations only. Some of the com panies that will drill these oil wells as of next year ...
11/19/2001	7,189,000	820.350	0.4448	Factiva	Sabic awards big Jubail plant. Saudi Arabian Basic Industries Corporation has awarded a contract to build a huge ethylene p lant to Halliburton, Mitsubishi and Chiyoda, reported the Saudi Press Agency. The 32-month c ontract is for the Jubail United Petrochemical Company ...
11/19/2001	7,189,000	820.350	0.4448	Factiva	Halliburton Bids on Camisea Development. Halliburton CompanyHALPluspetrol S.A.Hunt Consolidated / Hunt OilEK CorporationTecpetrol S.A . United States drilling and service company Halliburton's Peru unit has put in an economic bid to Argentina's Pluspetrol to participate in the ...
11/20/2001	5,795,600	821.300	4.6689	Factiva	SABIC AFFILIATE AWARDS ETHYLENE PLANT CONSTRUCTION CONTRACT. THE JUBAIL UNITED PETROCHEMICAL COMPANY HAS AWARDED AN ENGINEERING, PROCUREMENT AND CONSTRUC TION CONTRACT FOR ITS ETHYLENE PLANT TO A CONSORTIUM OF HALLIBURTON, CHIYODA AND MITSUBISHI. ...
11/20/2001	5,795,600	821.300	4.6689	Factiva	Cimbar Performance Minerals chooses Cebo Holland BV as sales representative. Cimbar Performance Minerals of Cartersville, GA, has selected Cebo Holland BV as sales repre sentative for its Organetrol organoclay products in Europe. Cebo, which operates as a partne rship of Halliburton Services and Cement Bouw, is a ...
11/20/2001	5,795,600	821.300	4.6689	Factiva	Halliburton to gauge Subic ship-repair prospects. WASHINGTON, Nov 20 (Reuters) - The energy and petroleum services giant once led by Vice Pres ident Dick Cheney agreed on Tuesday to explore redevelopment of the former U.S. Navy ship re pair facility at Subic Bay in the Philippines. ...
11/21/2001	3,880,000	820.900	(1.8788)	Factiva	JAPAN'S CHIYODA JOINTLY WINS ORDER FOR SAUDI ARABIA ETHYLENE PLANT. TOKYO, Nov 21, Asia Pulse - Chiyoda Corp. (TSE:6366) formally announced that the company, Mi tsubishi Corp. (TSE:8058) and Kellogg Brown & Root, a U.S. engineering firm of the Halliburt on Co., have received an order to build an ethylene ...
11/21/2001	3,880,200	820.900	(1.8788)	Factiva	Halliburton Closes Deal to Acquire Magic Earth DALLAS, Nov. 21 /PRNewswire/ -- Halliburton (NYSE: HAL) announces that the merger of an indi rect, wholly owned subsidiary of Halliburton into Magic Earth, Inc., a leadi[illegible] 3-D visualize

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					tion and interpretation technology company, was ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	News Highlights:Calpine To Invest $500M To Build Va Center Top Of The Hour Calpine To Invest $500M To Build Va. Energy Center >CPN Mobistar, Proximus, KPN Orange See Lawsuit Va Belgium On Permit Delays>I/TEL Halliburton Buys Magic Earth In $10 0M Stock Swap >HAL Nucor To Buy ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	News Highlights:Calpine To Invest $500M To Build In Va Top Of The Hour Calpine To Invest $500M To Build Va. Energy Center >CPN Mobistar, Proximus, KPN Orange See Lawsuit Va Belgium On Permit Delays>I/TEL Halliburton Buys Magic Earth In $10 0M Stock Swap >HAL Nucor To Buy ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	Halliburton Closes Deal To Acquire Magic Earth DALLAS -(Dow Jones)- Halliburton Co. (HAL) completed its purchase of 3-D visualization techn ology company Magic Earth Inc., in a stock swap valued at $100 million. ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	Fair going green. A Costain/Black & Veatch partnership and a Morrison/Halliburton Brown & Root partnership hav e each secured contracts to deliver a $100m package of environmental improvement works. ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	ADB SYSTEMS INTERNATIONAL INC - Contract With VM Alliansen. Toronto, Ontario, Nov 21, 2001 (Market News Publishing via COMTEX) - ADB Systems Internation al Inc., a global provider of asset lifecycle management solutions, announced that it has en tered into an agreement with VM Alliansen, a consortium ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	PLATT'S - Pakistan inks $2-mil deal with LMK for E+P data bank. Hong Kong (Platts)-21Nov2001/212 am EST/712 GMT Pakistan's Ministry of Petroleum has signed a $2-mil agreement with LMK Resources, a wholly-owned subsidiary of US-based Halliburton, fo r the establishment and management of a petroleum ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	PLATT'S - Halliburton closes $100-mil purchase of Magic Earth. New York (Platts)-21Nov2001/612 pm EST/2312 GMT Energy services giant Halliburton Wednesday said it has closed its $100-mil, stock-swap purchase of Magic Earth Inc, a company that spec ializes in processing and displaying seismic-survey data ...
11/21/2001	3,880,000	$20.900	(1.078%)	Factiva	Halliburton Company Closes Deal to Acquire Magic Earth Date Announced: 20011121 Halliburton Company announced that the merger of an indirect, wholl y owned subsidiary of Halliburton into Magic Earth, Inc., a 3-D visualization and interpreta tion technology company, has been completed.
11/21/2001	3,880,000	$20.900	(1.078%)	Jefferies & Compan	Halliburton Company: HAL: Lowering 4Q01 and 2002 EPS Estimates
11/21/2001	3,880,000	$20.900	(1.078%)	PR News	Halliburton Closes Deal to Acquire Magic Earth

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/22/2001	.	.	.	Factiva	US$100 MLN SHIP REPAIR FACILITY TO BE BUILT IN PHILIPPINES' SUBIC. SUBIC BAY FREEPORT, Nov 22, Asia Pulse - A US$100 million world-class ship repair facility w ill be constructed here soon. A Memorandum of Agreement (MOA) was signed by Subic Bay Metrop olitan Authority (SBMA) chairman Felicito C. Payumo and ...
11/22/2001	.	.	.	Factiva	COMPANY NEWS; HALLIBURTON CO Halliburton Co completes acquisition of Magic Earth Inc, maker o
11/22/2001	.	.	.	Factiva	Halliburton Buyout Involves Magic DALLAS Halliburton Co., the world's largest oilfield-services company, said it completed the acquisition of closely held Magic Earth Inc. for about $100 million US.
11/23/2001	2,298,000	$21.480	2.775%	Factiva	Halliburton Buys Magic Earth DALLAS -- Halliburton Co. completed its purchase of 3-D visualization-technology company Mag ic Earth Inc., in a stock swap valued at $100 million. ...
11/23/2001	2,298,000	$21.480	2.775%	Factiva	Halliburton wins Qatif. OIL services group Halliburton has won a $140 million contract from Saudi Aramco to carry ou t development work on the Qatif field as part of Saudi Arabia's plans to raise its capacity of light crude, writes Nasser Shirkhani. ...
11/23/2001	2,298,000	$21.480	2.775%	Factiva	subic.US CONTRACTOR Kellogg Brown & Root (KBR) oo US CONTRACTOR Kellogg Brown & Root (KBR) is to transform the Subic Bay Freeport (SBF) in the Philippines into a world-class commercial facility where it will fabricate and repair oi lfield installations. ...
11/23/2001	2,298,000	$21.480	2.775%	Factiva	Ambitious port project for Subic Bay. SUBIC Bay, the former US naval repair base in the Philippines, is to be redeveloped into a p ort with offshore fabrication and shiprepair facilities in a $100m project to be led by Hall iburton International of the US. ...
11/26/2001	5,448,000	$21.090	(1.816%)	Factiva	39 US companies named for continuing involvement in Burma Brussels -- 39 American companies are on the list of multinational enterprises that continue to do business in Burma, despite the country's continuous use of forced labor. The Global U nions have released a list of 250 companies with ...
11/26/2001	5,448,000	$21.090	(1.816%)	Factiva	PKF Texas Recognized for Total Communications Program; Local Public Accounting and Consul HOUSTON--(BUSINESS WIRE)--Nov. 26, 2001--The Business Marketing Association Houston Chapter (BMA) recently recognized Pannell Kerr Forster of Texas, P.C. (PKF Texas) for the firm's eff orts in developing a total communications program (under ...
11/26/2001	5,448,000	$21.090	(1.816%)	Factiva	Halliburton Eyes Subic Bay. Halliburton, the oil services giant previously led by US Vice President Dick Cheney, agreed to study redevelopment of the former US Navy ship repair facility at Subic Bay in the Philip

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					plans. ...
11/26/2001	5,448,000	$21.090	(1.816%)	Factiva	Consortium wins contract for Jubail grassroots olefins units. A consortium consisting of Chiyoda, Halliburton KBR and Mitsubishi has been awarded a contract for Jubail United Petrochemical Co's (JUPC) olefins complex in Jubail Industrial City, Saudi Arabia. It will include a 1 M tonnes/y cracker, 159 ...
11/26/2001	5,448,000	$21.090	(1.816%)	Factiva	What's New Around the World - Despite Timing Saudi Arabian Plans to Boost Capacity Progre While Opec and non-Opec producers fight to protect their respective shares of a cool global oil market, Saudi Arabia is moving forward with plans that will raise its production capacity. State oil company Saudi Aramco's plans to boost crude ...
11/27/2001	7,653,600	$21.860	3.651%	Factiva	Parker Drilling names new COO. HOUSTON, Nov 27 (Reuters) - Oil drilling contractor Parker Drilling Co. on Tuesday named Robert Wash chief operating officer, to replace James Linn, who retired in July. ...
11/27/2001	7,653,600	$21.860	3.651%	Factiva	MaverickTrader.Com Announces Investment Opinion with New Ratings on Charter Communication SHREVEPORT, La.--(BUSINESS WIRE)--Nov. 27, 2001--MaverickTrader.Com Stock Picks (http://www.mavericktrader.com) Senior Editor, Dewey Burchett rates key stocks for the week ahead: ...
11/27/2001	7,653,600	$21.860	3.651%	Factiva	PLATT'S - Parker Drilling taps Halliburton's Wash to be COO. New York (Platts)-27Nov2001/312 pm EST/2012 GMT Parker Drilling, a large offshore drilling contractor based in Houston, Tuesday said Robert F. Wash, 58, has been named the company's senior vice president and chief operating officer. He ...
11/28/2001	4,822,300	$21.310	(2.516%)	Factiva	News in brief.Saipem, a business unit of Italian oil and gas group Eni. Saipem, a business unit of Italian oil and gas group Eni, is reported to have acquired from Halliburton Brown & Root the remaining 50% of European Marine Contractors for $115mn.
11/28/2001	4,822,300	$21.310	(2.516%)	Factiva	Technology - Pigging the deep pipeline. Halliburton Subsea and UK pigging system specialist GD Engineering have teamed up to offer a new subsea pig launcher (SPL) designed to pig deepwater pipelines without interrupting production. The alliance provides oil and gas field ...
11/28/2001	4,822,300	$21.310	(2.516%)	Factiva	Halliburton Company's Landmark Graphics Releases Performance-Enhanced GeoGraphix Discover Data Announced: 20011128 Landmark Graphics Corporation, a wholly owned business unit of Halliburton Company, announced a new release in the GeoGraphix Discovery solutions suite. The new Discovery release provides an integrated ...
11/28/2001	4,822,300	$21.310	(2.516%)	Jefferies & Compan	Oil Services - API Inventory Analysis & Weekly Perspective
11/29/2001	3,720,000	$21.700	1.830%	Factiva	Olympic bid still in game. A consortium comprising Australian entities has bid XEU130m (A$224m) for 51 per cent of Olympic Airlines. The consortium, Integrated Airline Solutions, comprises the Hellenic Airline P

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
11/29/2001	3,720,000	$21.700	1.830%	Factiva	Ilote Union, Brown & Root - a subsidiary of Halliburton ... Cheney's Wife Gets Used to Travel WASHINGTON (AP) - Her husband works and lives at secret sites, an odd life for a vice presid ent and an unusual living arrangement for a Washington power couple. But since Sept. 11, say s Lynne Cheney, "we all live in a different time." ...
11/29/2001	3,720,000	$21.700	1.830%	Factiva	Lynne Cheney, wife of vice president, seeks normalcy in a timelike no other WASHINGTON (AP) - Her husband works and lives at secret sites, an odd life for a vice presid ent and an unusual living arrangement for a Washington power couple. But since Sept. 11, say s Lynne Cheney, "we all live in a different time." ...
11/29/2001	3,720,000	$21.700	1.830%	Factiva	Japan-U.S. Trio Gets Order for 1 mn-t/y Ethylenne Project in Saudi Arabia. Chiyoda Corp. which submitted a joint bid with U.S. plant engineer Halliburton KBR and tradi ng house Mitsubishi Corp. has announced that it has been awarded a contract for a world-scal e 1 mn t/y ethylene plant in Saudi Arabia. The project ...
11/29/2001	3,720,000	$21.700	1.830%	Factiva	Twelve angry lawyers It's Twelve Angry Men with a twist - this time the jurors are played by lawyers. Rachel Hali burton reports A gROUP of lawyers is standing in a circle, shouting out the names of vegeta bles. "Broccoli, broccoli, broccoli," cries the woman ...
11/30/2001	3,429,700	$21.430	(1.244%)	Factiva	Halliburton confirms. Qatif award Saudi Arabia The US' Halliburton Energy Services confirmed in mid-November the a ward of a $140 million contract by Saudi Aramco to provide services on the Qatif oil field d evelopment. The initial scope of the three-year contract ...
11/30/2001	3,429,700	$21.430	(1.244%)	Factiva	Halliburton KBR lands Jubail ethylene. Saudi Arabia US company to build 1 million-t/y ethene cracker A consortium led by the US' Ha lliburton KBR, and including Chiyoda Corporation and Mitsubishi Corporation, both of Japan, was awarded in mid-November the ethylene package on the ...
12/01/2001				Factiva	SAUDI ARABIA: Contract award for planned $140,000,000 oil fielddevelopment project. HALLI PROJECT OVERVIEW: The local state-owned SAUDI ARAMCO recently awarded an oil field developme nt contract to US-based HALLIBURTON ENERGY SERVICES (HES), a subsidiary of HALLIBURTON CO. A ccording to the terms of the award, HALLIBURTON will ...
12/01/2001				Factiva	SAUDI ARABIA: Contract award for planned $140,000,000 oil fielddevelopment project. HALLI PROJECT OVERVIEW: The local state-owned SAUDI ARAMCO recently awarded an oil field developme nt contract to US-based HALLIBURTON ENERGY SERVICES (HES), a subsidiary of HALLIBURTON CO. A ccording to the terms of the award, HALLIBURTON will ...
12/01/2001				Factiva	SAUDI ARABIA: Contract award for planned $140,000,000 oil fielddevelopment project. HALLI PROJECT OVERVIEW: The local state-owned SAUDI ARAMCO recently awarded an oil field developme nt contract to US-based HALLIBURTON ENERGY SERVICES (HES), a subsidiary of HALLIBURTON CO. A ccording to the terms of the award, HALLIBURTON will ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/01/2001	.	.	.	Factiva	Spotlight on Industry: Brown & Root Service See Power: Mr. Lopez, Halliburton, your parent company, prides itself on its ability to offe r many products and expertise to meet unique customer needs. Do you see a role for your comp any in responding to the DOD (Department of Defense ...
12/01/2001	.	.	.	Factiva	ShawCor focused on strengthening core business: Potential takeover target growing through ShawCor Ltd. (TSE: SCL.A; Recent price: $14; Rating: average) makes a variety of products fo r the oil and gas exploration, pipelines and petrochemical industries. ...
12/01/2001	.	.	.	Factiva	Supplier of natural barium sulfate products: Cimbar PerformanceMinerals. (Product & Liter Since 1914, Cimbar Performance Minerals, a part of Halliburton Industrial Products, has been a supplier of natural barium sulfate products. More recently we have added a line of nano-s ized barium sulfate, rheological additives and bentonite ...
12/01/2001	.	.	..	Factiva	Verdict on Claims Against Halliburton Awards $40 Million to Five Plaintiffs. A Baltimore jury Dec. 5 awarded five plaintiffs $40 million from three companies, one of whi ch was a former subsidiary of Halliburton's Dresser Industries unit. ...
12/01/2001	.	.	.	Factiva	Ultra-deepwater spar study gets underway. (Subsea/Surface Systems).(Brief Article) Halliburton KBR has been awarded a contract for a conceptual engineering study of a Spar/dee p draft caisson vessel (DDCV) in 10,000 ft water depth in the Gulf of Mexico. The research a nd development study is sponsored and funded by the ...
12/01/2001	.	.	.	Factiva	Fracture geometry from the treatment well in real time. (Drilling & Production). A new fracture mapping service, which employs downhole tiltmeter technology to map fracture geometry from the treatment well in real time has been developed. The developers content tha t the technology can help operators know more precisely ...
12/01/2001	.	.	.	Factiva	Halliburton sandscreens market entry rounds out Enventure offering: Building on Shell's c Borrowing from Shell's licensed intellectual property, Halliburton has launched its own line of expandable sandscreens, filling out the company's offering of expandable products. Enven ture, which is a 50-50 joint venture between Shell and ...
12/01/2001	.	.	.	Factiva	Expandables market changing the way wells are drilled and completed: Baker adding more ap As a number of companies begin to commercialize their own line of expandables technology, wh at Shell Technology Ventures first envisioned as a smooth transition from discrete markets t o global competition in expandables has clearly taken on ...
12/01/2001	.	.	.	Factiva	Halliburton KBR continues work on DFW people mover. (Industry News).(Dallas/Fort Worth In Halliburton KBR is working to complete architectural and engineering design, design manageme nt, construction administration and quality assurance for a $66 million automated people mo ver system at Dallas/Fort Worth (DFW) International ...
12/01/2001	.	.	.	Factiva	Halliburton KBR Acquires GVA Consultants Halliburton KBR, Dallas, the engineering and construction division of Halliburton and former ly Kellogg Brown & Root, acquired GVA Consultants from British Maritime Technology Ltd. Nov.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					1. Halliburton is one of the world's largest supplier ...
12/01/2001	.	.	.	Factiva	Oil workers' spy theme helps fund playroom. ESPIONAGE was the theme at an oil workers' event last night to raise money for the Press and Journal-backed Archie Foundation. About 430 Halliburton employees attended the company's Bond Ball at the Beach Ballroom in Aberdeen, with many ...
12/01/2001	.	.	.	Factiva	KBR to expand plant. (HP in Construction).(Kellogg Brown and Root signs agreement with Mo Kellogg Brown & Root (KBR), a subsidiary of Halliburton Co., has signed an agreement to provide integrated engineering, procurement, construction and maintenance services for a cracker debottleneck project at Shell Chemical's olefins plant ...
12/01/2001	.	.	.	Factiva	Saudi Arabia building plant. (HP in Construction).(consortium wins contract for construct A consortium of Halliburton KBR, Chiyoda Corp. and Mitsubishi Corp. has signed a contract for the engineering, procurement and construction of an ethylene plant for Jubail United Petrochemical Co. (United). United is a wholly owned ...
12/03/2001	5,183,700	$22.060	2.940%	Factiva	Halliburton Files $1 Bln Mixed Securities Shelf ISSUER: HALLIBURTON CO. SYMBOL: HAL 16:14 DJ CFA SOURCE:SEC 8-3 ISSUER: HALLIBURTON CO. SYMBOL: HAL OFFERING: COMMON AMOUNT: $1,000,000,000 ...
12/03/2001	5,183,700	$22.060	2.940%	Factiva	Halliburton files $1 bln debt, stock shelf offer. WASHINGTON, Dec 3 (Reuters) - Energy and petroleum services company Halliburton Co. filed on Monday with the Securities and Exchange Commission to periodically sell up to $1 billion in debt securities and common and preferred stock. ...
12/03/2001	5,183,700	$22.060	2.940%	Factiva	BPI Industries Inc - BPI bolstered by Halliburton report on Illinois project Mr. James Axlein reports Over the past three months, BPI Industries and its new management team have been involved in detailed evaluation and planning related to its Illinois basin methane project. This work followed the company's ...
12/03/2001	5,183,700	$22.060	2.940%	Factiva	Saudi Aramco. (Quick Takes). SAUDI ARAMCO awarded Halliburton's Energy Services Group a contract for $160 million of development work at Qatif field in eastern Saudi Arabia. The initial scope of the 3-year project will be to drill oil and water wells, using drilling ...
12/04/2001	7,705,900	$21.800	(0.725%)	Factiva	Tractebel unit wins 77.5 mln euro Norwegian contract. BRUSSELS, Nov 4 (Reuters) - Fabricom, a unit of Belgian energy group Tractebel , said it had won a 77.5 million euro contract, along with Halliburton and Sarco, to boost production at Norwegian oil and gas producer Statoil's Heidrun oil ...
12/04/2001	7,705,900	$21.800	(0.725%)	Factiva	Tractebel's Fabricom Unit Gets N Sea Offshore Job BRUSSELS -(Dow Jones)- VM Alliance, a long-term partnership between Fabricom AS and the Halliburton Co. (HAL) and Sarco engineering companies, Tuesday said it has received a two-year contract worth EUR77.5 million from Statoil ASA (STO) to ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/04/2001	7,705,800	$21.900	(0.7296)	Factiva	Texas Court Enters $65M Verdict Against Halliburton ISSUER: HALLIBURTON CO. SYMBOL: HAL 08:45 ISSUER: HALLIBURTON CO. SYMBOL: HAL 08:46 DJ CrA S OURCE:SEC 8-K ISSUER: HALLIBURTON CO. SYMBOL: HAL ...
12/04/2001	7,705,900	$21.900	(0.7296)	Factiva	Halliburton Announces LMK Resources Awarded E&P Data ManagementContract; Company Obtains DALLAS--(BUSINESS WIRE)--Dec. 4, 2001--Halliburton Company (NYSE:HAL) and its wholly owned b usiness unit, Landmark Graphics Corp., today announced that LMK Resources has been awarded a five-year E&P data management contract by the ...
12/04/2001	7,705,900	$21.900	(0.7296)	Factiva	Halliburton Unit Pact =2: To Manage Seismic, Well Data DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) LMK Resources unit received a five-year E&P dat a management contact from the government of Pakistan. ...
12/04/2001	7,705,900	$21.900	(0.7296)	Factiva	Halliburton Gets Data-Mgmt Pact From Pakistan Govt DALLAS -(Dow Jones)- Halliburton Co.'s (HAL) LMK Resources unit received a five-year E&P dat a management contact from the government of Pakistan. ...
12/04/2001	7,705,900	$21.900	(0.7296)	Factiva	Archie benefits from spies' night out. THE Archie Foundation has come a step closer to getting a playroom in the new children's hos pital, following an espionage caper at the weekend. A James Bond-themed event run by cel ebs at Halliburton at the Aberdeen Beach Ballroom on Friday ...
12/04/2001	7,705,900	$21.900	(0.7296)	Factiva	Halliburton Company Announces LMK Resources Awarded E&P Data Management Contract Date Announced: 20011204 Halliburton Company and its wholly owned business unit, Landmark Gr aphics Corp., announced that LMK Resources has been awarded a five-year E&P data management contract by the government of Pakistan. LMK ...
12/05/2001	9,427,900	$22.000	0.4578	A.G. Edwards & Son	Halliburton - Asbestos News Continues to Develop - North America Drilling Market Weak and 20 01-2 EPS Estimates Lowered
12/05/2001	9,427,900	$22.000	0.4578	Deutsche Bank Ress	Better Asbestos Disclosure Does Not Help Stock Price
12/05/2001	9,427,900	$22.000	0.4578	Factiva	Green mud cure for USD2 billion loss Worldwide, the oil industry suffers an estimated $2 billion loss every year due to collapsed and sidetracked holes, lost tools and abandoned wells. ...
12/05/2001	9,427,900	$22.000	0.4578	Factiva	Halliburton Unit Wins E&P Deal. Halliburton and its wholly owned business unit, Landmark Graphics, said Tuesday that affilia te LMK Resources has been awarded a five-year exploration and production data management con tract by the government of Pakistan. ...

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DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/05/2001	9,427,900	$22.000	9.457%	SunTrust Robinson	HAL: Litigation News Not Incremental
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	Free ratings on Atmel Corp, Tellium Inc, AT&T Corp, Autozone Inc, Halliburton Co (C)1994-2001 M2 COMMUNICATIONS LTD http://www.m2.com MaverickTrader.Com Stock Picks (http://www.mavericktrader.com) Senior Editor, Dewey Burchett rates key stocks for the week ahead: "Based on fundamental, technical, and news-related ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	Halliburton Loses Asbestos Cases. Halliburton filed an 8-K securities form on Wednesday indicating that a district court in Orange County, Texas had entered two asbestos related judgments against the company totaling $ 100 million. ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	Halliburton Sets Depth Record. Halliburton Energy Services set new ultra-deepwater world records at Unocal's Trident prospect in Alaminos Canyon, Block 903, in the Gulf of Mexico. ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON CAPITAL TRUST I - (CUSIPnone) - (ISIN none) CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000064538 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315239 ...
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	News in Brief.Halliburton and Norwegian offshore contractor DSND are reported to be plann Halliburton and Norwegian offshore contractor DSND are reported to be planning to merge thei r subsea operations.

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/06/2001	7,512,700	$20.850	(5.227%)	Factiva	New drilling fluid to help cure $2bn industry headache. Collapsed and sidetracked holes, as well as lost and abandoned wells, cost the oil industry worldwide an estimated $2 billion every year. In order to alleviate this industry headache, researchers from the CSIRO, in conjunction with US firm ...
12/07/2001	76,955,504	$12.000	(42.446%)	ABN AMRO Global Re	Special Intraday Note
12/07/2001	76,955,504	$12.000	(42.446%)	Capital One Southc	HAL: Downgrading HAL's Rating From BUY/STRONG BUY to HOLD/BUY
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Shell, Halliburton Push Oil-Well Breakthrough An oil-field technology inspired by sewer pipe repair work done nearly 20 years ago got a bi g push Thursday when Shell and Halliburton threw their collective weights behind solid, expa ndable tubulars. ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Jury Returns $30M Verdict Against Halliburton Subsidiary ISSUER: HALLIBURTON CO. SYMBOL: HAL 08:17 ISSUER: HALLIBURTON CO. SYMBOL: HAL 08:17 DJ CFA S OURCE:SEC 8-K ISSUER: HALLIBURTON CO. SYMBOL: HAL ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	World Expansion: Shell & Halliburton Ramp-Up Commitment to Enventure Solid Expandables To HOUSTON--(BUSINESS WIRE)--Dec. 7, 2001--Enventure Global Technology L.L.C. has today secured agreements from Shell Technology Ventures Inc. and Halliburton Energy Services Inc. that wi ll accelerate the global roll-out of its solid ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	RESEARCH ALERT-UBS Warburg downgrades Halliburton. NEW YORK, Dec 7 (Reuters) - UBS Warburg downgraded shares of oil field services giant Halliburton Co. on Friday before the market opened to "hold" from "strong buy." ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Options Report: Halliburton Volatility Spikes On Verdict NEW YORK -(Dow Jones)- Implied volatility more than doubled in certain Halliburton Co. optio ns Friday on word of a $30 million jury verdict against a subsidiary in an asbestos-claims c ase. ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton says jury awards $30 mln against unit. HOUSTON, Dec 7 (Reuters) - Halliburton Co. said on Friday a jury in Baltimore awarded $30 mi llion in damages against its Dresser Industries subsidiary in a case involving asbestos clai ms. ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Moody's Confirms Halliburton; Outlook To Negative More Like This
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton Comments on Asbestos Judgments DALLAS, Dec. 7 /PRNewswire/ -- The following was released today by Halliburton (NYSE: HAL): This week Halliburton announced three adverse asbestos litigation results. Those announcemen

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
					te are set forth in full at the end of this press ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton shares plunge on asbestos verdict DALLAS (AP) - Shares of Halliburton Co. plunged more than 40 percent Friday after the oilfie ld-services company revealed that a jury ruled against it in an asbestos-related lawsuit. ..
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton Shares Plunge on Verdict DALLAS (AP) - Shares of Halliburton Co. plunged more than 40 percent Friday after the oilfie ld-services company revealed that a jury ruled against it in an asbestos-related lawsuit. ..
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	UPDATE 3-Halliburton shares plummet amid asbestos woes. (Adds analyst comment and new details throughout, updates share activity) HOUSTON, Dec 7 (Re uters) - Halliburton Co. shares fell more than 40 percent on Friday, closing at their lowest level in almost 10 years on news of mounting asbestos ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton shares plunge on asbestos verdict DALLAS (AP) - Shares of Halliburton Co. plunged more than 40 percent Friday after the oilfie ld-services company revealed that a jury ruled against it in an asbestos-related lawsuit. ..
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton Comments On Asbestos Judgements DALLAS -(Dow Jones)- Halliburton Co. (HAL) reiterated that it will appeal three recent, asbe stos judgments against it, adding that insurance will cover most of the judgments if appeals are unsuccessful. ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Halliburton says insurers to cover asbestos awards. HOUSTON, Dec. 7 (Reuters) - Oilfield services and engineering giant Halliburton Co. said on Friday it expects insurance to cover most of the costs of recent asbestos damages verdicts a gainst the company if its legal appeals do not succeed. ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	/NYSE CLOSING, FRIDAY, DECEMBER 07, 2001/ ESTIMATED DOLLAR VALUE FOR TODAY: $39,007.7 BILLION FIVE MOST ACTIVE STOCKS TRADED TODAY Vo lume By Dollar Stock Amount ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	UPDATE 3-Halliburton shares plummet amid asbestos woes. (Adds analyst comment and new details throughout, updates share activity) HOUSTON, Dec 7 (Re uters) - Halliburton Co. shares fell more than 40 percent on Friday, closing at their lowest level in almost 10 years on news of mounting asbestos ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	FABRICOM (TRACTEBEL) WINS CONTRACT IN NORWAY. Statoil, one of the principal producers of petroleum and gas in the North Sea, has awarded " VM Alliance", a long term partnership between Fabricom and Halliburton and Sirco engineering companies, an important contract aimed at increasing ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 406216AF8) - (ISIN none). CUSIP: 406216AF8 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000002139 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 406216AH4) - (ISIN none). CUSIP: 406216AH4 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000037226 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000038679 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000090051 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000148040 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 40621PAA7) - (ISIN none). CUSIP: 40621PAA7 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000151443 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 40621PAB5) - (ISIN none). CUSIP: 40621PAB5 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000160204 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 40621PAD1) - (ISIN none). CUSIP: 40621PAD1 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000167144 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000167241 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000167241 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000167532 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 406211PAE9) - (ISIN none). CUSIP: 406211PAE9 ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356 000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000208412 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000203720 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000239820 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 406211PAF6) - (ISIN US406211PAF62). CUSIP: 406211PAF6 ISIN: US406211PAF62 Common Code: 013299340 CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000305260 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP 406211PAG4) - (ISIN US406211PAG46). CUSIP: 406211PAG4 ISIN: US406211PAG46 Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000305261 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...

DATE	VOLUME	CLOSING PRICE	RETURN	SOURCE	EVENT
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON COMPANY - (CUSIP none) -(ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000356000 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315238 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S RATINGS SERVICE - HALLIBURTON CAPITAL TRUST I - (CUSIPnone) - (ISIN none). CUSIP: ISIN: Common Code: CEDEL: CF/PF Indicator: C Moody's Issuer Number: 0000062538 Moodys Deal Number: 0000000000 Moodys Debt Number: 0000315239 ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	MOODY'S CONFIRMS HALLIBURTON'S RATINGS AT A1 - CHANGES RATING OUTLOOK TO NEGATIVE. Approximately $1 Billion of Debt Securities Affected. Moody's Investors Service Moody's confirmed the A1 senior unsecured debt ratings of Halliburton Company and changed the rating outlook from stable to negative. The change in rating ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	PLATT'S - Halliburton stock down sharply after $30-mil court loss. New York (Platts)-7Dec2001/324 pm EST/2024 GMT Halliburton's stock was down more than $8/share, or 39%, in afternoon trade at $12.69/share following a new asbestos verdict against the company's Dresser subsidiary. A Baltimore jury Wednesday ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	PLATT'S - Moody's changes Halliburton outlook to 'negative'. New York (Platts)-7Dec2001/544 pm EST/2244 GMT Moody's Friday confirmed its A1 senior unsecured debt ratings of Halliburton and changed its rating outlook to negative from stable. About $1-bil in debt are affected. Moody's said the change ...
12/07/2001	76,955,504	$12.000	(42.446%)	Factiva	Heavyweights push oil-well breakthrough An oil-field technology inspired by sewer pipe repair work done nearly 20 years ago got a big push Thursday when Shell and Halliburton threw their collective weights behind solid, expandable tubulars.
12/07/2001	76,955,504	$12.000	(42.446%)	Jefferies & Compan	Halliburton Company: Halliburton: Update On Asbestos Litigation: Stay Cautious
12/07/2001	76,955,504	$12.000	(42.446%)	PR News	Halliburton Comments on Asbestos Judgments
12/07/2001	76,955,504	$12.000	(42.446%)	SunTrust Robinson	HAL: Asbestos Reaction Exaggerated

EXHIBIT

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FORM 10-K

HALLIBURTON CO - HAL

Filed: March 23, 1999 (period: December 31, 1998)

Annual report which provides a comprehensive overview of the company for the past year

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 1998

[ ] Transition Report Pursuant to Section 13 or 15(d)of the Securities Exchange Act of 1934 For the transition period from _____ to _____

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange
Baroid Corporation 8% Guaranteed Senior Notes due 2003	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Common Stock held by nonaffiliates on January 29, 1999, determined using the per share closing price on the New York Stock Exchange Composite tape of $29.69 on that date was approximately $13,028,800,000.

As of January 29, 1999, there were 440,201,382 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

Portions of the Halliburton Company Proxy Statement dated March 25, 1999, are incorporated by reference into Part III of this report.

Source: HALLIBURTON CO, 10-K, March 23, 1999

PART I

Item 1. Business.

General Development of Business. Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. Halliburton Company (the Company) provides energy services, engineering and construction services and manufactures products for the energy industry. Information related to acquisitions and dispositions is set forth in Note 14 to the financial statements of this annual report.

Financial Information About Business Segments. The Company is comprised of three business segments. See Note 2 to the financial statements of this annual report for financial information about these three business segments.

Description of Services and Products. The following is a summary which briefly describes the Company's services and products for each business segment.

The Energy Services Group segment provides a wide range of services and products to provide both discrete services and products and integrated solutions to customers in the exploration, development and production of oil and natural gas. The Energy Services Group operates worldwide, serving major oil companies, independent operators and national oil companies. The segment includes Halliburton Energy Services (HES), which offers pressure pumping equipment and services, logging and perforating products and services, drilling systems and services, drilling fluid systems, drill bits, specialized completion and production equipment and services and well control products and services; Brown & Root Energy Services, which provides upstream oil and gas engineering, procurement and construction, project management and production services, subsea construction, fabrication and installation of onshore and offshore pipelines, offshore and production platforms, marine engineering and other marine related projects; Landmark Graphics Corporation, which provides integrated exploration and production information systems and professional services; and Halliburton Energy Development (HED), which creates business opportunities for the development, production and operation of oil and gas fields in conjunction with the Company's customers. In March 1999, HED was combined with HES.

The Engineering and Construction Group segment provides: conceptual design, process design, detailed engineering, procurement, project and construction management; construction of chemical and petrochemical plants, refineries, liquefied natural gas (LNG) and gas processing facilities, pulp and paper mills, metal processing plants, airports, water and wastewater systems; technical and economic feasibility studies; site evaluation; repair and refitting of submarines and surface ships; operations and maintenance services, and engineering, logistics and wastewater management services for commercial industry, utilities and government customers.

The Dresser Equipment Group segment designs, manufactures and markets highly engineered products and systems for oil and gas producers, transporters, processors, distributors and users throughout the world. Products and systems of this segment include compressors, turbines, generators, electric motors, pumps, engines and power systems, valves and controls, instruments, meters and pipe couplings, blowers and gasoline dispensing systems.

Markets and Competition. The Company is one of the world's largest diversified energy services and engineering and construction services companies. The Company's services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of the Company's services and products are: price, service (including the ability to deliver services and products on an "as needed, where needed" basis), product quality, warranty and technical proficiency. A growing number of customers are now indicating a preference for integrated services and solutions. These integrated services and solutions, in the case of the Energy Services Group, relate to all phases of exploration, development and production of oil and gas, and in the case of the Engineering and Construction Group, relate to all phases of design, procurement, construction project management and maintenance of a facility. Demand for these types of integrated services and solutions is based primarily upon quality of service, technical proficiency and value created.

The Company conducts business worldwide in over 120 countries. Since the markets for the Company's services and products are so large and cross many geographic lines, a meaningful estimate of the number of competitors cannot be made. These markets are, however, highly competitive with many substantial companies operating in each market. Generally, the Company's services and products are marketed through its own servicing and sales organizations. A small

Source: HALLIBURTON CO, 10-K, March 23, 1999

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Note 1. Significant Accounting Policies

The Company employs accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

Basis of presentation. On September 29, 1998, the Company completed the acquisition of Dresser Industries, Inc. (Dresser) pursuant to the Agreement and Plan of Merger (the Merger) dated as of February 25, 1998. The Merger was accounted for using the pooling of interests method of accounting for business combinations. Accordingly, the Company's financial statements have been restated to include the accounts of Dresser for all periods presented. Prior to the Merger, Dresser had a fiscal year-end of October 31. Beginning in 1998, Dresser's fiscal year-end of October 31 has been conformed to Halliburton's calendar year-end. Periods through December 31, 1997 contain Dresser's information on a fiscal year-end basis combined with Halliburton's information on a calendar year-end basis. Dresser's operating results for November and December of 1997 are presented within the consolidated statements of shareholders' equity as "conforming fiscal years."

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. All material intercompany accounts and transactions are eliminated. Investments in other affiliated companies in which the Company has at least 20% ownership and does not have management control are accounted for on the equity method. Certain prior year amounts have been reclassified to conform with the current year presentation.

Revenues and Income Recognition. The Company recognizes revenues as services are rendered or products are shipped. The distinction between services and product sales is based upon the overall activity of the particular business operation. Revenues from engineering and construction contracts are reported on the percentage of completion method of accounting using measurements of progress towards completion appropriate for the work performed. All known or anticipated losses on contracts are provided for currently. Post-contract customer support agreements are recorded as deferred revenues and recognized as revenue ratably over the contract periods of generally one year's duration. Training and consulting service revenues are recognized as the services are performed.

Research and Development. Research and development expenses are charged to income as incurred. Such charges were $308.1 million in 1998, $259.2 million in 1997 and $218.0 million in 1996.

Software Development Costs. Costs of developing software for sale are charged to expense when incurred, as research and development, until technological feasibility has been established for the product. Thereafter, software development costs are capitalized until the software is ready for general release to customers. The Company capitalized costs of $13.4 million in 1998, $14.5 million in 1997 and $12.9 million in 1996 related to software developed for resale. Amortization expense related to these costs was $17.5 million for 1998, $15.0 million for 1997 and $12.5 million for 1996. Once the software is ready for release, amortization of the software development costs begins. Capitalized software development costs are amortized over periods which do not exceed three years.

Income Per Share. Basic income per share amounts are based on the weighted average number of common shares outstanding during the year. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. See Note 11 for a reconciliation of basic and diluted income per share from continuing operations. Prior year amounts have been adjusted for the two-for-one common stock split declared on June 9, 1997, and effected in the form of a stock dividend paid on July 21, 1997.

Source: HALLIBURTON CO, 10-K, March 23, 1999

Asbestosis Litigation. Since 1976, Dresser and its former divisions or subsidiaries have been involved in litigation resulting from allegations that third parties had sustained injuries and damage from the inhalation of asbestos fibers contained in certain products manufactured by Dresser and its former divisions or subsidiaries or companies acquired by Dresser.

Over the last 20 years approximately 183,000 claims have been filed against Dresser and its former divisions or subsidiaries. Claims continue to be filed with 29,400 new claims filed in 1998. Dresser and its former divisions or subsidiaries have entered into agreements with insurance carriers which cover, in whole or in part, indemnity payments, legal fees and expenses for certain categories of claims. Dresser and its former divisions or subsidiaries are in negotiation with carriers over coverage for the remaining categories of claims. Because these agreements are governed by exposure dates, payment type and the product involved, the covered amount varies by individual claim. In addition, lawsuits are pending against several carriers seeking to recover additional amounts related to these claims.

Since 1976, Dresser and its former divisions and subsidiaries have settled or disposed of 120,000 claims for a gross cost of approximately $89.1 million with insurance carriers paying all but $37.0 million. Provision has been made for the estimated exposure, based on historical experience and expected recoveries from insurance carriers, related to the 63,400 claims which were open at the end of 1998 including 14,000 for which settlements are pending. Management has no reason to believe that the insurance carriers will not be able to meet their share of future obligations under the agreements.

Pursuant to an agreement entered into at the time of the spin-off, Global Industrial Technologies, Inc. ("Global" formerly [redacted]CO, Inc.) assumed liability for asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the Harbison Walker Refractories Division of Dresser Industries, Inc. These asbestos claims are subject to certain agreements with insurance carriers that cover expense and indemnity payments. Global now disputes that it assumed responsibility for any of such asbestos claims based on negligence. Global also now asserts certain other claims relating to the insurance coverage responding to asbestos claims. In order to resolve these assertions, Global has invoked the dispute resolution provisions of the 1992 agreement, which require binding arbitration. On February 19, 1999 Dresser filed suit in the Delaware Chancery Court seeking an injunction to restrain such arbitration as being barred by the Delaware statute of limitations. The Company believes that these new assertions by Global are without merit and intends to vigorously defend itself against them.

Management recognizes the uncertainties of litigation and the possibility that a series of adverse rulings could materially impact operating results. However, based upon Dresser's historical experience with similar claims, the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos, and management's understanding of the facts and circumstances that gave rise to such claims, management believes that the pending asbestos claims will be resolved without material effect on Halliburton's financial position or results of operations.

Environmental. The Company is involved through its subsidiaries as a potential responsible party (PRP) in remedial activities to clean up various "Superfund" sites under applicable federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company.

With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), sufficient information that would enable management to quantify the Company's potential liability has not been developed and management believes the process of determining the nature and extent of remediation at this site and the total costs thereof will be lengthy. Brown & Root, Inc., now Kellogg Brown & Root, Inc. (KBR), a subsidiary of the Company, has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). The Jasper County Superfund Site includes areas of mining activity that occurred from the 1800s through the mid 1950s in the southwestern portion of Missouri. The site contains lead and zinc mine tailings produced from mining activities. KBR is one of nine participating PRPs that have agreed to perform a Remedial Investigation/Feasibility Study (RI/FS), which, due to various delays, is not expected to be completed until late 1999. Although the entire Jasper

EXHIBIT

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FORM 10-K

HALLIBURTON CO - HAL

Filed: March 14, 2000 (period: December 31, 1999)

Annual report which provides a comprehensive overview of the company for the past year

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Item 8. are included on pages 27 through 64 of this annual report.
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 1999

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange
Baroid Corporation 8% Guaranteed Senior Notes due 2003	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Common Stock held by nonaffiliates on February 29, 2000, determined using the per share closing price on the New York Stock Exchange Composite tape of $38.1875 on that date was approximately $16,896,000,000.

As of February 29, 2000, there were 443,582,904 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

Portions of the Halliburton Company Proxy Statement dated March 21, 2000, are incorporated by reference into Part III of this report.

Source: HALLIBURTON CO, 10-K, March 14, 2000

PART I

Item 1. Business.

General development of business. Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. Halliburton Company provides a variety of services, equipment, maintenance, and engineering and construction to energy, industrial and governmental customers. Information related to acquisitions and dispositions is set forth in Note 2 to the financial statements of this annual report.

Financial information about business segments. We operate in three business segments:

- Energy Services Group;
- Engineering and Construction Group; and
- Dresser Equipment Group.

See Note 3 to the financial statements of this annual report for financial information about these three business segments.

Description of services and products. Our ability to mix, bundle or integrate products and services to meet the varied needs of our customers is of increasing importance in the highly competitive environment in which we operate. We believe that, based upon our customers' requirements, our future success will depend, in part, upon our ability to offer total capabilities and solutions on a global, industry-encompassing scale as well as discrete services and products. Our business strategy is focused on continuing to maintain global leadership in providing our customers integrated services, equipment, engineering, construction and maintenance. This strategy is dependent upon four key goals:

- technological leadership;
- operational excellence;
- innovative business relationships; and
- a dynamic workforce.

We offer a broad suite of products and services through three business segments operating globally as six business units. The following summary describes our services and products for each business segment and unit.

ENERGY SERVICES GROUP

The Energy Services Group segment consists of Halliburton Energy Services, Brown & Root Energy Services, and Landmark Graphics. This segment provides a wide range of discrete services and products and integrated solutions to customers in the exploration, development and production of oil and gas. The segment serves independent, integrated, and national oil companies.

Halliburton Energy Services provides discrete products and services and integrated solutions for oil and gas exploration, development and production throughout the world. Products and services range from the initial evaluation of producing formations to drilling, completion, production and well maintenance for a single well or an entire field. Major product and service line offerings include:

- pressure pumping, including:
  - zonal isolation (cementing);
  - production enhancement (fracturing and acidizing); and
  - tools and testing;
- logging and perforating;
- drilling systems;
- drilling fluid systems;
- drill bits; and
- specialized completion and production equipment and services, and well control products and services.

Zonal isolation is the process used to bond the well and well casing while isolating fluid zones and maximizing wellbore stability. This is accomplished by pumping cement and chemical additives to fill the space between the casing and the side of the wellbore. Our zonal isolation service line also provides casing equipment and services.

Production enhancement encompasses the technologies and capabilities to optimize oil and gas reservoirs through a variety of pressure pumping services, including: fracturing and acidizing, sand control, coiled tubing, well control,

Source: HALLIBURTON CO, 10-K, March 14, 2000

nitrogen services, and specialty services. These services are commonly used to clean out a formation or to fracture formations to allow increased oil and gas production.

Tools and testing includes tubing-conveyed perforating products and services, including drill stem and other well testing tools, data acquisition services and production applications.

Logging products and services include our Magnetic Resonance Imaging Logging (MRIL(R)), high-temperature logging as well as traditional open-hole and cased-hole logging tools. MRIL(R) tools apply medical diagnostic magnetic resonance imaging technology to the evaluation of subsurface rock formations in newly drilled oil and gas wells. Our high temperature logging tools combine advanced electronic and mechanical tool designs, quality materials and a telemetry system to operate in high temperature and high pressure downhole environments. Open-hole tools provide information on well visualization, formation evaluation (including resistivity, porosity, lithology and temperature), rock mechanics and sampling. Cased-hole tools provide cementing evaluation, reservoir monitoring, pipe evaluation, pipe recovery and perforating.

Drilling systems and services are marketed under the Sperry-Sun Drilling Systems name. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, multilateral wells and completion systems, and rig site information systems.

Drilling and completion fluids are marketed under the Baroid Drilling Fluids name. These services provide fluid systems and performance additives for oil and gas drilling, completion and workover operations. In addition, Baroid maintains and markets products for a wide variety of industrial customers.

Drill bits, marketed under the trade name of Security DBS, provide roller cone rock bits, fixed cutter bits, coring equipment and services, and other downhole tools used to drill wells.

Completion products include subsurface safety valves and flow control equipment, surface safety systems, packers and specialty completion equipment, production automation, well screens, and slickline equipment and services.

Halliburton Energy Services, through its solutions group, also provides fully integrated oilfield management and technical expertise in the following areas:

- o integrated solutions; and
- o reservoir description.

Integrated solutions provides value-added oilfield management and solutions to independent, integrated, and national oil companies. Integrated solutions enhance field deliverability and maximize the customer's return on investment. These services leverage the entire Halliburton Energy Services product service groups and technologies as well as overall project management.

Reservoir description is composed of two groups - geoscience and engineering and computed products. The geoscience and engineering group provides a comprehensive suite of products including opportunity assessment, reservoir characterization, field development planning, production enhancement, reservoir surveillance, and reservoir management. The computed products group provides interpretation for wellbore imaging, waveform sonics, cement evaluation, production, and a variety of open and cased-hole information evaluation logs. By combining reservoir description with field service capabilities and technology, Halliburton Energy Services provides complete reservoir solutions.

Brown & Root Energy Services provides worldwide engineering and construction services to the upstream oil and gas industry. Projects are on a cost reimbursable or lump sum, turnkey basis. Many field development projects also involve services of Halliburton Energy Services and Landmark Graphics. Brown & Root Energy Services' primary product service lines include:

- o deepwater and floating production, including subsea;
- o general offshore operations; and
- o land operations.

The deepwater and floating production group provides deepwater riser solutions, floating production technologies and project management systems tailored to the specific demands of our customers. The group integrates these capabilities with our subsea group to optimize customer solutions. The subsea product service group provides construction and installation capabilities, including a comprehensive fleet of semi-submersibles, remotely-operated vehicles and support vessels. These vehicles and vessels are used to install subsea manifolds, templates, spools, fixed risers, dynamic risers, mechanical connections, pilings and flexible pipelines. The subsea product service group

Source: HALLIBURTON CO, 10-K, March 14, 2000

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also provides trenching and repair operations and manufactures and supplies flexible pipe. Flexible pipe is used primarily in the offshore oil and gas industry for both topside and subsea applications.

The general offshore group integrates capabilities required to plan, engineer, construct and operate offshore production facilities. The group includes front-end engineering, detailed engineering, project management, procurement and construction, fabrication, and production services. Capabilities include the engineering, procurement and construction of offshore drilling and production platforms, process skids and modules, subsea components, turret mooring systems and production manifolds, structural pipe/caissons, semi-drilling rig components and prefabricated components. Fabrication products and services are provided by Brown & Root Energy Services at one facility and Brown & Root Energy Services and a joint venture partner at two additional facilities. Pipeline services provide full turnkey pipeline services to onshore and offshore customers through a joint venture.

The land operations group combines the distinctive capabilities required to plan, engineer, construct and operate onshore plants and pipelines. Capabilities include front-end engineering, detailed engineering, procurement, construction, operations and project management.

Landmark Graphics provides integrated exploration and production software information systems and professional services. Landmark's software transforms vast quantities of seismic, well log and other data into detailed computer models of petroleum reservoirs to optimize exploration, development and production decisions. Landmark's products and services integrate data workflows and operational processes across disciplines including geophysics, geology, drilling, engineering, production, economics, finance and corporate planning, and key partners and suppliers.

ENGINEERING AND CONSTRUCTION GROUP

The Engineering and Construction Group segment, consisting of Kellogg Brown & Root and Brown & Root Services, provides a wide range of services to energy and industrial customers and government entities worldwide.

Kellogg Brown & Root is a global provider of technology-based engineering and construction services using proprietary processes including project development, technology licensing and development, consulting, project management, engineering, procurement, construction, operations and maintenance services. Projects for our customers are often executed on a lump-sum, turnkey basis, including:

- engineering, procurement and construction services for:
  - liquefied natural gas and gas processing facilities;
  - ammonia plant design and technology;
  - olefins, polymer and phenol plants;
  - forest products facilities; and
  - mineral processing;
- industrial maintenance services to private sector customers; and
- planning, process technologies and engineering, procurement and construction services in the construction of refineries utilizing proprietary techniques in fluid catalytic cracking, hydroprocessing, and residuum processing.

Brown & Root Services is a global provider to the private (primarily non-energy) and government sectors offering planning, design, construction, operations, maintenance, asset management and decommissioning of infrastructure, facilities and installations. The following summarizes the business unit's product service lines and their distinctive capabilities:

- management and engineering - consulting and civil engineering services providing master planning and consulting, design, engineering, project and construction management, and facility start-up;
- construction - management of large projects including prisons, stadiums and highways. Other services include on-call construction and facilities modification and repair;

Source: HALLIBURTON CO, 10-K, March 14, 2000

- operations, maintenance and logistics - operation of government facilities and installations, providing food and housing services for the life-cycle of large scale projects, weapons demilitarization, aircraft servicing, fuels handling and management, refuse collection, equipment maintenance and operations, public works support, and transportation services; and
- investment management - participation in the design, building, financing and operation and ownership of toll roads, marine, and other public sector facilities.

DRESSER EQUIPMENT GROUP

The Dresser Equipment Group segment designs, manufactures and markets highly engineered products and systems for customers in the energy industry, although power, chemical and transportation industries are also significant customers for its products and services. Product service lines in this segment include:

- compression and pumping;
- measurement;
- flow control; and
- power systems.

The compression and pumping product service line included two joint ventures: Dresser-Rand and Ingersoll-Dresser Pump. Dresser-Rand manufactures and services gas turbines; centrifugal, reciprocating and axial compressors; steam turbines; electric motors and generators. Ingersoll-Dresser Pump provides a wide range of pumps for use in process and petrochemical industries, power generation, pulp and paper, water resources, mining, pipeline, marine, general industry and agriculture. On October 4, 1999, we announced we would sell our interests in Dresser-Rand and Ingersoll-Dresser Pump to Ingersoll-Rand. Ingersoll-Dresser Pump was sold on December 30, 1999. Dresser-Rand was sold on February 2, 2000. See Note 2 and Note 18 to the financial statements of this annual report for additional information on the sale of our interests in these joint ventures.

The measurment product service line includes the DMD, Instrument and Wayne divisions. DMD produces gas meters, electronic products for gas systems, pipe fittings, couplings and repair devices for gas and water utilities and other industries. We are in the process of consolidating the DMD and Roots divisions within the measurement product service line. Instrument products include gauges, thermometers, switches, transducers, transmitters and instrument isolators for pressure and temperature measurement and control. Wayne manufactures and supplies retail automation control and fuel dispensing systems worldwide.

The flow control product service line includes the Dresser Valve division which manufactures ball, gate, check, butterfly, plug, safety relief, automated globe, rotary control and specialty valves; chemical injection pumps; regulators; surge relievers and actuators.

The power systems product service line includes Roots and Waukesha Engine divisions. Roots manufactures rotary-lobe and centrifugal air and gas handling blowers as well as vacuum pumps. Waukesha Engine manufactures spark ignited gaseous fueled engines and packaged engine-driven generator sets used in field gas compression.

Markets and competition. We are one of the world's largest diversified energy services and engineering and construction services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products are: price, service (including the ability to deliver services and products on an "as needed, where needed" basis), product quality, warranty and technical proficiency. While we provide a wide range of discrete services and products, a number of customers have indicated a preference for integrated services and solutions. In the case of the Energy Services Group, integrated services and solutions relate to all phases of exploration, development and production of oil and gas. In the case of the Engineering and Construction Group, integrated services and solutions relate to all phases of design, procurement, construction project management and maintenance of a facility. Demand for these types of integrated services and solutions is based primarily upon quality of service, technical proficiency and value created.

We conduct business worldwide in over 120 countries. Since the markets for our services and products are so large and crosses so many geographic lines, a meaningful estimate of the number of competitors cannot be made. The industries we serve are highly competitive and we have many substantial competitors. Generally, our services and products are marketed through our own servicing and sales organizations. A small percentage of sales of the Energy Service Group's and Dresser Equipment Group's products is made through supply stores and third-party representatives.

RESPONSIBILITY FOR FINANCIAL REPORTING

We are responsible for the preparation and integrity of our published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, accordingly, include amounts based on judgments and estimates made by our management. We also prepared the other information included in the annual report and are responsible for its accuracy and consistency with the financial statements.

The financial statements have been audited by the independent accounting firm, Arthur Andersen LLP. Arthur Andersen was given unrestricted access to all financial records and related data, including minutes of all meetings of stockholders, the Board of Directors and committees of the Board.

We maintain a system of internal control over financial reporting, which is intended to provide reasonable assurance to our management and Board of Directors regarding the reliability of our financial statements. The system includes:

- a documented organizational structure and division of responsibility;
- established policies and procedures, including a code of conduct to foster a strong ethical climate which is communicated throughout the company; and
- the careful selection, training and development of our people.

Internal auditors monitor the operation of the internal control system and report findings and recommendations to management and the Board of Directors. Corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are identified. The Board, operating through its Audit Committee, which is composed entirely of Directors who are not current or former officers or employees of the company, provides oversight to the financial reporting process.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to the reliability of our financial statements. Also, the effectiveness of an internal control system may change over time.

We have assessed our internal control system in relation to criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon that assessment, we believe that, as of December 31, 1999, our system of internal control over financial reporting met those criteria.

Halliburton Company

by

/s/ RICHARD B. CHENEY	/s/ GARY V. MORRIS
Richard B. Cheney Chairman of the Board and Chief Executive Officer	Gary V. Morris Executive Vice President and Chief Financial Officer

Source: HALLIBURTON CO, 10-K, March 14, 2000

Note 1. Significant Accounting Policies

We employ accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenues and expenses during the reporting period.

Ultimate results could differ from those estimates.

Principles of consolidation. The consolidated financial statements include the accounts of our company and all majority-owned subsidiaries. All material intercompany accounts and transactions are eliminated. Investments in other companies in which we own between a 20% to 50% interest are accounted for using the equity method. Specific prior year amounts have been reclassified to conform with the current year presentation.

Revenues and income recognition. We recognize revenues as services are rendered or products are shipped. The distinction between services and product sales is based upon the overall activity of the particular business operation. Revenues from engineering and construction contracts are reported on the percentage of completion method of accounting using measurements of progress towards completion appropriate for the work performed. All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers, for extra work or changes in the scope of work are included in revenue when collection is deemed probable. Post-contract customer support agreements are recorded as deferred revenues and recognized as revenue ratably over the contract period of generally one year's duration. Training and consulting service revenues are recognized as the services are performed.

Research and development. Research and development expenses are charged to income as incurred. See Note 3 for research and development expense by business segment.

Software development costs. Costs of developing software for sale are charged to expense when incurred, as research and development, until technological feasibility has been established for the product. Once technological feasibility is established, software development costs are capitalized until the software is ready for general release to customers. We capitalized costs related to software developed for resale of $12 million in 1999, $13 million in 1998 and $15 million in 1997. Amortization expense of software development costs was $15 million for 1999, $18 million for 1998 and $15 million for 1997. Once the software is ready for release, amortization of the software development costs begins. Capitalized software development costs are amortized over periods which do not exceed three years.

Income per share. Basic income per share amounts are based on the weighted average number of common shares outstanding during the year. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. See Note 10 for a reconciliation of basic and diluted income per share from continuing operations.

Cash equivalents. We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables. Our receivables are generally not collateralized. With the exception of claims and change orders which are in the process of being negotiated with customers, unbilled work on uncompleted contracts generally represents work currently billable and this work is usually billed during normal billing processes in the next month. These claims and change orders, included in unbilled receivables, amounted to $98 million and $89 million at December 31, 1999 and 1998, respectively and are generally expected to be collected in the following year.

Included in notes and accounts receivable are notes with varying interest rates. At December 31, 1999 notes receivable totaled $424 million including a note receivable of $377 million generated by the sale of Ingersoll-Dresser Pump. See Note 2. At December 31, 1998 notes receivable totaled $296 million including a note receivable generated by the sale of M-I. See Note 2.

Inventories. Inventories are stated at the lower of cost or market. Cost represents invoice or production cost for new items and original cost less allowance for condition for used material returned to stock. Production cost includes material, labor and manufacturing overhead. The cost of most inventories is determined using either the first-in, first-out method or the

Source: HALLIBURTON CO, 10-K, March 14, 2000

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other disclosures concerning Dresser because we determined such information is not material to the holders of these notes.

In January 1999, as part of a legal reorganization associated with the merger, Halliburton Delaware, Inc., a first tier holding company subsidiary, was merged into Dresser. The majority of our operating assets and activities are now included within Dresser and its subsidiaries.

Dresser Industries, Inc.
Financial Position

Millions of dollars	December 31 1999	December 31 1998
Current assets	$ 5,671	$ 2,417
Noncurrent assets	5,535	2,614
Total	$ 11,206	$ 5,031
Current liabilities	$ 2,793	$ 1,389
Noncurrent liabilities	1,953	1,544
Minority interest	154	154
Shareholders' equity	6,306	1,944
Total	$ 11,206	$ 5,031

Dresser Industries, Inc.
Operating Results

Millions of dollars	Twelve months ended December 31 1999	December 31 1998	October 31 1997
Revenues	$ 14,899	$ 8,136	$ 7,453
Operating income	$ 636	$ 677	$ 601
Income before taxes, minority interest, extraordinary gain and change in accounting method	$ 437	$ 611	$ 547
Income taxes	(174)	(231)	(191)
Minority interest	(43)	(36)	(38)
Extraordinary gain, net	159	-	-
Change in accounting method, net	(19)	-	-
Net income	$ 360	$ 344	$ 318

Note 9. Commitments and Contingencies

Leases. At year end 1999, we were obligated under noncancelable operating leases, expiring on various dates through 2021, principally for the use of land, offices, equipment, field facilities, and warehouses. Total rentals charged to operations for such leases totaled $150 million in 1999, $287 million in 1998, and $203 million in 1997. Future total rentals on noncancelable operating leases are as follows: 2000, $133 million; 2001, $114 million; 2002, $94 million; 2003, $66 million; 2004, $39 million and thereafter, $114 million.

Asbestosis litigation. Since 1976, Dresser Industries, Inc. and its former divisions or subsidiaries have been involved in litigation resulting from allegations that third parties sustained injuries and damage from the inhalation of asbestos fibers contained in some products manufactured by Dresser, its former divisions or subsidiaries or by companies acquired by Dresser. In addition, the Engineering and Construction Group is involved in litigation resulting from allegations that third parties sustained injuries and damage from the inhalation of asbestos fibers contained in some of the materials which were used in various construction and renovation projects in the past.

Dresser and its former divisions or subsidiaries have entered into agreements with insurance carriers which cover, in whole or in part, indemnity payments, legal fees and expenses for specific categories of claims. Dresser and its former divisions or subsidiaries are in negotiation with insurance carriers over coverage for the remaining categories of claims. Because these agreements are governed by exposure dates, payment type and the product involved, the covered amount varies by individual claim. In addition, lawsuits are pending

Source: HALLIBURTON CO, 10-K, March 14, 2000

against several carriers seeking to recover additional amounts related to these claims. The Engineering and Construction Group is also involved in negotiations with their insurance carriers concerning the scope of coverage for asbestos claims.

Since 1976, approximately 237,300 claims have been filed against various current and former divisions and subsidiaries. Most of these claims relate to Dresser and its former divisions or subsidiaries. Approximately 129,650 of these claims have been settled or disposed of at a gross cost of approximately $99 million with insurance carriers responsible for all but approximately $23 million. Claims continue to be filed with about 46,400 new claims filed in 1999. We have established a reserve estimating our liability for asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers. Our expected insurance recoveries are based on agreements with insurance carriers or, where agreements are still under negotiation, estimated recoveries. We believe that the insurance carriers will be able to meet their share of future obligations under the agreements. At the end of 1999, there were about 107,650 open claims, including 19,000 for which settlements are pending. This compares with 70,500 open claims at the end of 1998. The accrued liabilities for these claims and corresponding receivables from carriers were as follows:

Millions of dollars	1999	1998
Accrued liability	$ 52	$ 53
Receivables from insurance companies	(27)	(34)
Net asbestos liability	$ 25	$ 19

We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings could materially impact the expected resolution of asbestos related claims. However, based upon our historical experience with similar claims, the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos, and our understanding of the facts and circumstances that gave rise to such claims, we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Dispute with Global Industrial Technologies, Inc. Under an agreement entered into at the time of the spin-off of Global Industrial Technologies, Inc., formerly INDRESCO, Inc., from Dresser Industries, Inc., Global assumed liability for all asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the former Harbison-Walker Refractories division of Dresser. Those business operations were transferred to Global in the spin-off. These asbestos claims are subject to agreements with Dresser insurance carriers that cover expense and indemnity payments. However, the insurance coverage is incomplete and Global has to date paid the uncovered portion of those asbestos claims with its own funds.

Global now disputes that it assumed liability for any of these asbestos claims which were based upon Dresser's negligence, the acts of Harbison-Walker prior to its merger with Dresser in 1967, or punitive damages.

In order to resolve this dispute, Global invoked the dispute resolution provisions of the 1992 agreement, which require binding arbitration. Global has not claimed a specific amount of damages. We expect that Global's claim for reimbursement will be in excess of $40 million. In addition, Global is seeking relief from responsibility for pending claims based upon Dresser's negligence, the pre-1967 acts of Harbison-Walker, punitive damages, and for all similar future claims. On February 25, 2000, the arbitrator ruled that Global did assume responsibility for claims based on Dresser's negligence and for punitive damages. The arbitrator did not decide whether Global also assumed responsibility for the pre-1967 acts of Harbison-Walker, but reserved his decision pending further proceedings, although no timetable was set for those proceedings.

In 1999 Dresser brought suit against Global to enjoin it from suing Dresser's insurance carrier, Continental Insurance Company, for specific asbestos claims. Although a Texas court in Dallas entered a temporary injunction, a Texas appellate court reversed that decision and the matter remains pending before the trial court. Since then, in late 1999, Global sued Continental in federal court in Pennsylvania seeking coverage under Dresser insurance policies for claims we believe are covered by the pending arbitration. Dresser was not named in the lawsuit, and Continental has responded to Global by moving to dismiss that lawsuit because Dresser was not included. We believe that the issues involving Continental should be resolved in the pending arbitration. We believe that all of Global's claims and assertions are without merit and we intend to vigorously defend against them.

Source: HALLIBURTON CO, 10-K, March 14, 2000

EXHIBIT

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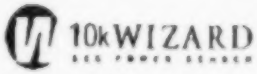

FORM 10-K

HALLIBURTON CO - HAL

Filed: March 27, 2001 (period: December 31, 2000)

Annual report which provides a comprehensive overview of the company for the past year

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2000

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange
Baroid Corporation 8% Guaranteed Senior Notes due 2003	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any Amendment to this Form 10-K. [ ]

The aggregate market value of Common Stock held by nonaffiliates on February 28, 2001, determined using the per share closing price on the New York Stock Exchange Composite tape of $39.82 on that date was approximately $17,029,000,000.

As of February 28, 2001, there were 428,468,110 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

Portions of the Halliburton Company Proxy Statement dated March 20, 2001, are incorporated by reference into Part III of this report.

Source: HALLIBURTON CO, 10-K, March 27, 2001

Note 1. Significant Accounting Policies

We employ accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenues and expenses during the reporting period.

Ultimate results could differ from those estimates.

Principles of consolidation. The consolidated financial statements include the accounts of our company and all of our majority-owned subsidiaries. All material intercompany accounts and transactions are eliminated. Investments in other companies in which we own a 20% to 50% interest are accounted for using the equity method. Specific prior year amounts have been reclassified to conform to the current year presentation.

Revenues and income recognition. We recognize revenues as services are rendered or products are shipped. The distinction between services and product sales is based upon the overall activity of the particular business operation. Revenues from engineering and construction contracts are reported on the percentage of completion method of accounting using measurements of progress towards completion appropriate for the work performed. All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers, for extra work or changes in the scope of work are included in revenue when collection is deemed probable. Post-contract customer support agreements are recorded as deferred revenues and recognized as revenue ratably over the contract period of generally one year's duration. Training and consulting service revenues are recognized as the services are performed. Sales of perpetual software licenses, net of deferred maintenance fees, are recorded as revenue upon shipment. Sales of use licenses are recognized as revenue over the license period.

Research and development. Research and development expenses are charged to income as incurred. See Note 4 for research and development expense by business segment.

Software development costs. Costs of developing software for sale are charged to expense when incurred, as research and development, until technological feasibility has been established for the product. Once technological feasibility is established, software development costs are capitalized until the software is ready for general release to customers. We capitalized costs related to software developed for resale of $7 million in 2000, $12 million in 1999 and $13 million in 1998. Amortization expense of software development costs was $12 million for 2000, $15 million for 1999 and $18 million for 1998. Once the software is ready for release, amortization of the software development costs begins. Capitalized software development costs are amortized over periods which do not exceed three years.

Income per share. Basic income per share is based on the weighted average number of common shares outstanding during the year. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. See Note 10 for a reconciliation of basic and diluted income per share.

Cash equivalents. We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables. Our receivables are generally not collateralized. With the exception of claims and change orders which are in the process of being negotiated with customers, unbilled work on uncompleted contracts generally represents work currently billable, and this work is usually billed during normal billing processes in the next month. These claims and change orders, included in unbilled receivables, amounted to $113 million and $98 million at December 31, 2000 and 1999, respectively, and are generally expected to be collected in the following year.

Included in notes and accounts receivable are notes with varying interest rates. Notes receivable totaled $38 million at December 31, 2000 and $41 million at December 31, 1999.

Source: HALLIBURTON CO, 10-K, March 27, 2001

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On March 21, 2001 the Delaware Chancery Court ruled that Highlands is not obligated to provide insurance coverage for asbestos claims filed against Kellogg Brown & Root because, in the court's opinion, the agreements entered into by Highlands and Halliburton at the time of the spin-off terminated the policies previously written by Highlands that would otherwise cover such claims. This ruling, if it is not reversed on appeal, would eliminate our primary insurance covering asbestos claims against Kellogg Brown & Root for periods prior to the spin-off. Most claims filed against Kellogg Brown & Root allege exposure to asbestos prior to the spin-off and are disposed of for less than the limits of the Highlands policies. However, we and our legal counsel, Vinson & Elkins L.L.P., believe the court's ruling is wrong. We intend to appeal the ruling to the Delaware Supreme Court as soon as possible. Vinson & Elkins has opined to us that it is very likely that the ruling of the Chancery Court will be reversed because the ruling clearly contravenes the provisions of the applicable agreements between Highlands and Halliburton. Vinson & Elkins has also opined to us that it is likely that we will ultimately prevail in this ligitation.

Since 1976, approximately 282,000 claims have been filed against various current and former divisions and subsidiaries. About 25,000 of these claims relate to Kellogg Brown & Root and the balance of these claims relate to Dresser, its former divisions and subsidiaries. Approximately 165,000 of these claims have been settled or disposed of at a gross cost of approximately $324 million, with insurance carriers paying all but approximately $32 million. Claims continue to be filed, with about 45,000 claims filed in 2000. We have established an accrual estimating our liability for known asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers. Our expected insurance recoveries are based on agreements with carriers or, where agreements are still under negotiation or litigation, our estimate of recoveries. We believe that the insurance carriers with which we have signed agreements will be able to meet their share of future obligations under the agreements. Prior to the Chancery Court's ruling, Highlands Insurance Group, Inc., the parent of Highlands Insurance Company, stated in its SEC filings that if it lost the litigation with us and is required to pay the asbestos claims against Kellogg Brown & Root, there could be a material adverse impact on Highlands Insurance Group's financial position. Highlands Insurance Company reported statutory capital surplus of $152 million to the Texas Insurance Commission in its Quarterly Statement as of September 30, 2000. On March 12, 2001, Highlands Insurance Group, Inc. announced that it expected to report a significant loss for the fourth quarter of 2000 and for the full year 2000. Although we do not know the extent of the impact of this loss on Highlands Insurance Company, we believe that Highlands has the ability to pay substantially all of these asbestos claims when this litigation is resolved in our favor.

At December 31, 2000, there were about 117,000 open claims, including about 23,000 associated with recoveries we expect from Highlands. Open claims at December 31, 2000 also include 9,000 for which settlements are pending. The number of open claims at the end of 2000 compares with approximately 107,700 open claims at the end of the prior year. The accrued liabilities for these claims and corresponding billed and estimated recoveries from carriers are as follows:

Millions of dollars	December 31 2000	1999
Accrued liability	$ 88	$ 71
Estimated insurance recoveries:		
Highlands Insurance Company	(39)	(28)
Other insurance carriers	(12)	(18)
Net asbestos liability	$ 29	$ 25

As of December 31, 2000, we have accounts receivable from Highlands Insurance Company of $11 million for payments we have made on asbestos claims. If our appeal of the Chancery Court's ruling in the Highlands litigation is unsuccessful, we will be unable to collect this account receivable or the $39 million estimated accrued recovery from Highlands for asbestos claims. This may have a material adverse impact on the results of our operations and our financial position at that time.

Accounts receivable for billings to other insurance carriers for payments made on claims were $13 million at December 31, 2000 and $9 million at December 31, 1999.

We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings or new legislation affecting the claims settlement process could materially impact the expected resolution of asbestos related claims. However, based upon:

- our historical experience with similar claims;
- the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos;
- the time elapsed since Kellogg Brown & Root used asbestos in any construction process; and
- our understanding of the facts and circumstances that gave rise to asbestos claims,

we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Resolution of dispute with Global Industrial Technologies, Inc. We previously reported that under an agreement entered into at the time of the spin-off of Global Industrial Technologies, Inc., formerly INDRESCO, Inc., from Dresser Industries, Inc., Global assumed liability for all asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the former Harbison-Walker Refractories division of Dresser. Those business operations were transferred to Global in the spin-off. These asbestos claims are subject to agreements with Dresser's insurance carriers that cover expense and indemnity payments. However, the insurance coverage is incomplete and Global has to-date paid the uncovered portion of asbestos claims with its own funds.

We also reported that a dispute arose with Global concerning those agreements, which led to arbitration and litigation proceedings. We have now resolved the dispute and agreed with Global that:

- the arbitration, and all related litigation, is dismissed;
- Global acknowledges its obligation to assume responsibility for new asbestos claims filed after the date of the spin-off;
- Global agrees to continue to cooperate with Dresser on Dresser's remaining refractory claims; and
- Dresser continues to make available its direct insurance program for the Global assumed asbestos liabilities.

Fort Ord litigation. Brown & Root Services is a defendant in civil litigation pending in federal court in Sacramento, California. The lawsuit alleges that Brown & Root Services violated provisions of the False Claims Act while performing work for the United States Army at Fort Ord in California. This lawsuit was filed by a former employee in 1997. Brown & Root Services has denied the allegations and is preparing to defend itself at trial. Further proceedings in this civil lawsuit have been stayed while the investigation referred to in the next paragraph is ongoing. We believe that it is remote that this civil litigation will result in any material amount of damages being assessed against the company, although the cost of our defense could well exceed $1 million before the matter is brought to a conclusion.

Although in 1998 the United States Department of Justice declined to join this litigation, it has advised us that Brown & Root Services is the target of a federal grand jury investigation regarding the contract administration issues raised in the civil litigation. Brown & Root Services has been served with grand jury subpoenas, which required the production of documents relating to the Fort Ord contract and similar contracts at other locations. We have also been informed that several current and former employees will be called to testify before the grand jury. We have retained independent counsel for these employees. We are cooperating in this investigation. The United States Department of Justice has not made any specific allegations against Brown & Root Services.

Environmental. We are subject to numerous environmental legal and regulatory requirements related to our operations worldwide. We take a proactive approach to evaluating and addressing the environmental impact of our operations. Each year we assess and remediate contaminated properties in order to avoid future liabilities and comply with legal and regulatory requirements. On occasion we are involved in specific environmental litigation and claims, including the clean-up of properties we own or have operated as well as efforts to meet or correct compliance-related matters.

EXHIBIT

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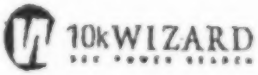

FORM 10-K

HALLIBURTON CO - HAL

Filed: March 12, 2002 (period: December 31, 2001)

Annual report which provides a comprehensive overview of the company for the past year

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EX-10 (1EXECUTIVE EMPLOYMENT AGREEMENT)

EX-10 (1EXECUTIVE EMPLOYMENT AGREEMENT)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2001

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange
Baroid Corporation 8% Guaranteed Senior Notes due 2003	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of Common Stock held by nonaffiliates on February 28, 2002, determined using the per share closing price on the New York Stock Exchange Composite tape of $16.50 on that date was approximately $7,162,800.00.

As of February 28, 2002, there were 435,613,251 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

Portions of the Halliburton Company Proxy Statement dated March 19, 2002, are incorporated by reference into Part III of this report.

Source: HALLIBURTON CO, 10-K, March 12, 2002

Note 1. Significant Accounting Policies

We employ accounting policies that are in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenues and expenses during the reporting period.

Ultimate results could differ from those estimates.

Principles of consolidation. The consolidated financial statements include the accounts of our company and all of our subsidiaries in which we own greater than 50% interest or control. All material intercompany accounts and transactions are eliminated. Investments in companies in which we own 50% interest or less and have a significant influence are accounted for using the equity method and if we do not have significant influence we use the cost method. Prior year amounts have been reclassified to conform to the current year presentation.

Revenues and income recognition. We recognize revenues as services are rendered or products are shipped. The distinction between services and product sales is based upon the overall activity of the particular business operation. Revenues from engineering and construction contracts are reported on the percentage of completion method of accounting using measurements of progress towards completion appropriate for the work performed. Progress is generally based upon physical progress, man-hours or costs incurred based upon the appropriate method for the type of job. All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers, for extra work or changes in the scope of work are, included in revenue when collection is deemed probable. Training and consulting service revenues are recognized as the services are performed. Sales of perpetual software licenses, net of deferred maintenance fees, are recorded as revenue upon shipment. Sales of use licenses are recognized as revenue over the license period. Post-contract customer support agreements are recorded as deferred revenues and recognized as revenue ratably over the contract period of generally one year's duration.

Research and development. Research and development expenses are charged to income as incurred. See Note 4 for research and development expense by business segment.

Software development costs. Costs of developing software for sale are charged to expense when incurred, as research and development, until technological feasibility has been established for the product. Once technological feasibility is established, software development costs are capitalized until the software is ready for general release to customers. We capitalized costs related to software developed for resale of $19 million in 2001, $7 million in 2000 and $12 million in 1999. Amortization expense of software development costs was $16 million for 2001, $12 million for 2000 and $15 million for 1999. Once the software is ready for release, amortization of the software development costs begins. Capitalized software development costs are amortized over periods which do not exceed five years.

Income per share. Basic income per share is based on the weighted average number of common shares outstanding during the year. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. See Note 10 for a reconciliation of basic and diluted income per share.

Cash equivalents. We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables. Our receivables are generally not collateralized. With the exception of claims and change orders which are in the process of being negotiated with customers, unbilled work on uncompleted contracts generally represents work currently billable, and this work is usually billed during normal billing processes in the next several months. The claims and change orders, included in unbilled receivables, amounted to $234 million at December 31, 2001 and $113 million at December 31, 2000. Included in notes and accounts receivable are notes with varying interest rates totaling $19 million at December 31, 2001 and $38 million at December 31, 2000.

Source: HALLIBURTON CO, 10-K, March 12, 2002

EXHIBIT

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FORM 10-Q

HALLIBURTON CO - HAL

Filed: May 15, 2000 (period: March 31, 2000)

Quarterly report which provides a continuing view of a company's financial position

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EX-10 (Material contracts)

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended March 31, 2000

OR

[ ] Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value $2.50 per share:
Outstanding at April 30, 2000 - 443,933,065

Since 1976, approximately 252,550 claims have been filed against various current and former divisions and subsidiaries. Most of these claims relate to Dresser and its former divisions or subsidiaries. Approximately 146,000 of these claims have been settled or disposed of at gross cost of approximately $185 million with insurance carriers responsible for all but approximately $26 million. Claims continue to be filed, with about 15,250 new claims filed in the first quarter of 2000. We have established a reserve estimating our liability for known asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers. Our expected insurance recoveries are based on agreements with carriers or, where agreements are still under negotiation or litigation, our estimate of recoveries. We believe that the insurance carriers will be able to meet their share of future obligations under the agreements. At March 31, 2000, there were about 106,550 open claims, including 9,000 for which settlements are pending. This number of claims compares with 107,650 open claims at the end of 1999. The accrued liabilities for these claims and corresponding receivables from carriers were as follows:

Millions of dollars	March 31 2000	December 31 1999
Accrued liability	$ 88	$ 80
Receivables from insurance companies	63	55
Net asbestos liability	$ 25	$ 25

We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings or new legislation affecting the claims settlement process could materially impact the expected resolution of asbestos related claims. However, based upon:

- our historical experience with similar claims;
- the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos;
- the time elapsed since Kellogg Brown & Root used asbestos in any construction process; and
- our understanding of the facts and circumstances that gave rise to asbestos claims,

we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Dispute with Global Industrial Technologies, Inc. Under an agreement entered into at the time of the spin-off of Global Industrial Technologies, Inc., formerly INDRESCO, Inc., from Dresser Industries, Inc., Global assumed liability for all asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the former Harbison-Walker Refractories division of Dresser. Those business operations were transferred to Global in the spin-off. These asbestos claims are subject to agreements with Dresser insurance carriers that cover expense and indemnity payments. However, the insurance coverage is incomplete and Global has to date paid the uncovered portion of those asbestos claims with its own funds.

Global now disputes that it assumed liability for any of these asbestos claims which were based upon Dresser's negligence, the acts of Harbison-Walker prior to its merger with Dresser in 1967, or punitive damages.

In order to resolve this dispute, Global invoked the dispute resolution provisions of the 1992 agreement, which require binding arbitration. Global has not claimed a specific amount of damages. We expect that Global's claim for reimbursement will be in excess of $40 million. In addition, Global is seeking relief from responsibility for pending claims based upon Dresser's negligence, the pre-1967 acts of Harbison-Walker, punitive damages, and for all similar future claims. On February 25, 2000, the arbitrator ruled that Global did assume responsibility for claims based on Dresser's negligence and for punitive damages. The arbitrator did not decide whether Global also assumed responsibility for the pre-1967 acts of Harbison-Walker, but reserved his decision pending further proceedings, although no timetable was set for those proceedings.

In 1999 Dresser brought suit against Global to enjoin it from suing Dresser's insurance carrier, Continental Insurance Company, for specific asbestos claims. Although a Texas court in Dallas entered a temporary injunction, a Texas appellate court reversed that decision and the matter remains pending before the trial court. Since then, in late 1999, Global sued Continental in federal court in Pennsylvania seeking coverage under Dresser insurance policies for claims we believe are covered by the pending arbitration. Dresser was not named in the lawsuit, and Continental has responded to Global by moving to dismiss that lawsuit because Dresser was not included. We believe that the issues involving Continental should be resolved in the pending arbitration. We believe that all of Global's claims and assertions are without merit and we intend to vigorously defend against them.

Source: HALLIBURTON CO, 10-Q, May 15, 2000

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EXHIBIT

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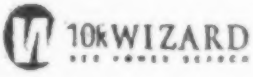

FORM 10-Q

HALLIBURTON CO - HAL

Filed: August 10, 2000 (period: June 30, 2000)

Quarterly report which provides a continuing view of a company's financial position

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EX-10 (1EXECUTIVE EMPLOYMENT AGREEMENT)

EX-10 (Material contracts)

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended June 30, 2000

OR

[ ] Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value $2.50 per share:
Outstanding at July 31, 2000 - 445,531,000

pursuant to guaranteed cost policies issued by Highlands to our Kellogg Brown & Root subsidiary prior to the spin-off.

Since 1976, approximately 260,900 claims have been filed against various current and former divisions and subsidiaries. About 23,000 of these claims relate to Kellogg Brown & Root and the balance of these claims relate to Dresser and its former divisions or subsidiaries. Approximately 153,900 of these claims have been settled or disposed of. Claims continue to be filed, with about 24,700 new claims filed in the first six months of 2000. We have established a reserve estimating our liability for known asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers. Our expected insurance recoveries are based on agreements with carriers or, where agreements are still under negotiation or litigation, our estimate of recoveries. We believe that the insurance carriers with which we have signed agreements will be able to meet their share of future obligations under the agreements. Highlands has stated in its SEC filings that if they lose this litigation with us and are required to pay the asbestos claims against Kellogg Brown & Root, there could be a material adverse impact on their financial position. However, based on Highlands statutory capital surplus of $162 million as reported to the Texas Insurance Commission, we believe that Highlands has the ability to pay substantially all of these asbestos claims and that Highlands will be required to do so at the conclusion of the pending litigation.

At June 30, 2000, there were about 107,000 open claims, including about 21,000 associated with recoveries we expect from Highlands. Open claims at June 30, 2000 also include 9,800 for which settlements are pending. This number of claims compares with 107,700 open claims at the end of the prior year. The accrued liabilities for these claims and corresponding billed and estimated accrued receivables from carriers were as follows:

Millions of dollars	June 30 2000	December 31 1999
Accrued liability	$ 75	$ 71
Receivables from insurance companies:		
Highlands Insurance Company	40	38
Other insurance carriers	11	18
Net asbestos liability	$ 24	$ 25

Additional receivables billed to insurance carriers for payments made on claims were $8 million at June 30, 2000 and $9 million at December 31, 1999, none of which were due from Highlands Insurance Company.

We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings or new legislation affecting the claims settlement process could materially impact the expected resolution of asbestos related claims. However, based upon:

- our historical experience with similar claims;
- the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos;
- the time elapsed since Kellogg Brown & Root used asbestos in any construction process; and
- our understanding of the facts and circumstances that gave rise to asbestos claims,

we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Dispute with Global Industrial Technologies, Inc. Under an agreement entered into at the time of the spin-off of Global Industrial Technologies, Inc., formerly INDRESCO, Inc., from Dresser Industries, Inc., Global assumed liability for all asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the former Harbison-Walker Refractories division of Dresser. Those business operations were transferred to Global in the spin-off. These asbestos claims are subject to agreements with Dresser insurance carriers that cover expense and indemnity payments. However, the insurance coverage is incomplete and Global has to-date paid the uncovered portion of those asbestos claims with its own funds.

Global now disputes that it assumed liability for any of these asbestos claims which were based upon Dresser's negligence, the acts of Harbison-Walker prior to its merger with Dresser in 1967, or punitive damages.

In order to resolve this dispute, Global invoked the dispute resolution provisions of the 1992 agreement, which require binding arbitration. Global has not claimed a specific amount of damages. We expect that Global's claim for reimbursement will be in excess of $40 million. In addition, Global is seeking relief from responsibility for pending claims based upon Dresser's negligence, the pre-1967 acts of Harbison-Walker, punitive damages, and for all similar future claims. On February 25, 2000, the arbitrator ruled that Global did assume responsibility for claims based on Dresser's negligence and for punitive damages. The arbitrator did not decide whether Global also assumed responsibility for the pre-1967 acts of Harbison-Walker, but reserved his decision pending further proceedings, although no timetable was set for those proceedings.

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Source: HALLIBURTON CO, 10-Q, August 10, 2000

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EXHIBIT

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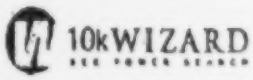

FORM 10-Q

HALLIBURTON CO - HAL

Filed: August 09, 2001 (period: June 30, 2001)

Quarterly report which provides a continuing view of a company's financial position

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EX-10 (Material contracts)

EX-10 (1EXECUTIVE EMPLOYMENT AGREEMENT)

EX-24 (Power of attorney)

EX-24 (Power of attorney)

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended June 30, 2001

OR

[ ] Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value $2.50 per share:
Outstanding at July 31, 2001 - 419,791,394

Source: HALLIBURTON CO, 10-Q, August 09, 2001

HALLIBURTON COMPANY
Notes to Quarterly Financial Statements
(Unaudited)

Note 1. Management Representations

We employ accounting policies that are in accordance with generally accepted accounting principles in the United States. Preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenues and expenses during the reporting period.

Ultimate results could differ from those estimates.

The accompanying unaudited condensed consolidated financial statements were prepared using generally accepted accounting principles for interim financial information, the instructions to Form 10-Q and applicable rules of Regulation S-X. Accordingly, these financial statements do not include all information or footnotes required by generally accepted accounting principles for complete financial statements and should be read together with our 2000 Annual Report on Form 10-K. Prior period amounts have been reclassified to be consistent with the current presentation.

In our opinion, the condensed consolidated financial statements present fairly our financial position as of June 30, 2001, the results of our operations for the three and six months ended June 30, 2001 and 2000 and our cash flows for the six months then ended. The results of operations for the three and six months ended June 30, 2001 and 2000 may not be indicative of results for the full year.

Note 2. Business Segment Information

We have two business segments - Energy Services Group and Engineering and Construction Group. Our segments are organized around the products and services provided to our customers. During the fourth quarter of 2000, we announced restructuring plans to combine engineering, construction, fabrication and project management operations into one company, Kellogg Brown & Root, reporting as our Engineering and Construction Group. This restructuring resulted in some activities moving from the Energy Services Group to the Engineering and Construction Group, effective January 1, 2001. Prior periods have been restated for this change.

The following table presents revenues and operating income by business segment on a comparable basis.

	Three Months Ended June 30		Six Months Ended June 30	
Millions of dollars	2001	2000	2001	2000
Revenues:				
Energy Services Group	$ 2,214	$ 1,615	$ 4,245	$ 3,038
Engineering and Construction Group	1,125	1,253	2,238	2,689
Total	$ 3,339	$ 2,868	$ 6,483	$ 5,727
Operating income:				
Energy Services Group	$ 267	$ 113	$ 467	$ 162
Engineering and Construction Group	25	30	43	79
General corporate	(20)	(17)	(40)	(34)
Total	$ 272	$ 126	$ 470	$ 207

Source: HALLIBURTON CO, 10-Q, August 09, 2001

Energy Services Group. The Energy Services Group provides a wide range of discrete services and products and integrated solutions to customers for the exploration, development, and production of oil and gas. The customers for this segment are major, national and independent oil and gas companies. This segment consists of:

- Halliburton Energy Services provides oilfield services and products including discrete products and services and integrated solutions for oil and gas exploration, development and production throughout the world. Products and services include pressure pumping equipment and services, logging and perforating, drilling systems and services, drilling fluids systems, drill bits, specialized completion and production equipment and services, well control, integrated solutions, and reservoir description,
- Landmark Graphics provides integrated exploration and production software information systems and professional services to the petroleum industry, and
- Other product service lines include surface/subsea operations and large integrated engineering, procurement, and construction projects containing both surface and sub-surface components. Surface/subsea operations provide construction, installation and servicing of subsea facilities; flexible pipe for offshore applications; pipeline services for offshore customers; pipecoating services; feasibility, conceptual and front-end engineering and design, project management, detailed engineering, maintenance, procurement, construction site management, commissioning, startup and debottlenecking of both onshore and offshore facilities.

Engineering and Construction Group. The Engineering and Construction Group provides engineering, procurement, construction, project management, and facilities operation and maintenance for oil and gas and other industrial and governmental customers. The Engineering and Construction Group, operating as Kellogg Brown & Root, includes the following five product lines:

- Onshore operations comprises engineering and construction activities, including liquefied natural gas, ammonia, crude oil refineries, and natural gas plants,
- Offshore operations includes specialty offshore deepwater engineering and marine technology and worldwide fabrication capabilities,
- Government operations provides operations, maintenance and logistics activities for government facilities and installations,
- Operations and maintenance provides services for private sector customers, primarily industrial, hydrocarbon and commercial applications, and
- Asia Pacific operations, based in Australia, provides civil engineering and consulting services.

Note 3. Acquisitions and Dispositions

Magic Earth acquisition. In April 2001, we signed a definitive agreement to acquire Magic Earth, Inc., a leading 3-D visualization and interpretation technology company with broad applications in the area of data mining. Once the transaction is completed, Magic Earth will become our wholly owned subsidiary and a part of the Energy Services Group. Under the agreement, Halliburton will issue stock valued at $100 million, subject to final purchase price adjustments, to acquire Magic Earth. The transaction is expected to be completed later this year after various regulatory and other approvals are received.

PGS Data Management acquisition. In March 2001, Landmark Graphics acquired the PGS Data Management division of Petroleum Geo-Services ASA (PGS) for $175 million, subject to a final working capital adjustment. Terms of the agreement also include a contract that calls for Landmark to provide, for a fee, strategic data management and distribution services to PGS for three years. We have preliminarily recorded goodwill of $155 million, subject to the final valuation of intangible assets and other costs. Goodwill, based on a 15 year life, will only be amortized through the end of 2001 in accordance with FASB Statement No. 142.

Source: HALLIBURTON CO, 10-Q, August 09, 2001

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In June 2001, Harbison-Walker informed Dresser that it was unable to pay a large number of asbestos claims settlements it had negotiated with plaintiffs. Harbison-Walker requested that Dresser provide it with financial assistance to pay these settlements. Since receiving its request, we have conducted an investigation of the status of the asbestos claims assumed by Harbison-Walker. We believe that at June 30, 2001, Harbison-Walker was defending approximately 112,000 open claims it assumed under the 1992 agreement, including approximately 35,000 new refractory related claims which were filed during the first half of this year, many of which name Dresser as a defendant based on its prior ownership of the refractory business. Based upon information we developed, including our own experience managing asbestos claims and our analysis of Harbison-Walker's claims management, we have estimated our exposure on these open claims. Harbison-Walker's average historical claim settlements have been significantly higher than we have experienced with our similar refractory claim settlements. In addition, Harbison-Walker appears to have entered into settlements of 47,000 to 52,000 additional claims for an aggregate amount that may exceed $320 million. Harbison-Walker has historically recovered more than 90% of their asbestos claim settlements through their insurance coverage. None of the above Harbison-Walker claims have been included in previous asbestos claims reported by Halliburton due to our reliance on Harbison-Walker's defense and indemnity obligations under the 1992 spin-off agreement.

Based on its request for assistance, we believe that Harbison-Walker does not have the financial ability to comply with its defense and indemnity requirements under the 1992 spin-off agreement. Dresser's discussions with some of the insurance carriers obligated to provide coverage for these claims indicate that it is likely that they will refuse to pay Harbison-Walker's existing settlements. In addition, Equitas and other London-based insurance carriers have notified Harbison-Walker and Dresser that they will attempt to impose new documentation requirements on reimbursement claims made on this insurance. The current coverage-in-place agreement that Dresser and Harbison-Walker have with these carriers contains specific but different documentation requirements. We believe that any new documentation requirements are inconsistent with the current coverage-in-place agreement and are unenforceable.

Based on our investigation, Dresser has decided that it will not provide financial assistance to Harbison-Walker to pay the settlements Harbison-Walker has negotiated but is unable to pay. Dresser has also decided that it will not relieve Harbison-Walker of its obligations under the 1992 agreement. We believe that Harbison-Walker is no longer able to provide and is not providing Dresser with an adequate defense and indemnity as required under the 1992 agreement. As a result, Dresser will separately and aggressively assert its own defense of those claims that name Dresser as a defendant, including any new claims.

On August 2, 2001, Harbison-Walker filed a lawsuit in the District Court of Jefferson County, Texas alleging that Dresser and Halliburton breached, among other things, provisions of the 1992 spin-off agreement and the coverage-in-place agreements as well as commercially disparaged Harbison-Walker and tortiously interfered with its contractual relationships. Harbison-Walker's lawsuit bases these allegations on the press releases issued by Halliburton on June 28, 2001 and July 25, 2001.

We believe that these allegations are without merit and will vigorously defend against them. On August 7, 2001, Dresser and Halliburton filed a Motion to Compel Arbitration in the Jefferson County action based on the arbitration provision contained in the 1992 spin-off agreement. In our motion, we asked the Court to dismiss Harbison-Walker's lawsuit and order the parties to arbitrate all of the disputes arising out of the interpretation and implementation of the spin-off agreement.

Also on August 7, 2001, Dresser filed a lawsuit, in the United States District Court for the Northern District of Texas, against Harbison-Walker's parent company, RHI AG, an Austrian corporation, Harbison-Walker's affiliates, and Dresser's insurance companies. In this lawsuit, Dresser alleges that:

- Harbison-Walker, in concert with its affiliates and agents, fraudulently billed Dresser's historic general liability insurers for asbestos-related costs that Harbison-Walker had yet to pay;
- Harbison, its affiliates and agents have violated federal mail fraud and money laundering statutes, and thus, have violated the Racketeer Influenced Corrupt Organizations Act, commonly referred to as a RICO action; and
- The actions of Harbison-Walker, its affiliates and agents constitute common law conversion and conspiracy.

Source: HALLIBURTON CO, 10-Q, August 09, 2001

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SA502

Finally, Dresser also seeks a declaratory judgment that the amounts these insurance companies improperly paid to Harbison-Walker in response to the fraudulent billings do not erode the insurance coverage available to Dresser for its asbestos-related liabilities.

Also on August 7, 2001, Dresser filed a comprehensive insurance coverage lawsuit, in the District Court of Dallas County, Texas, against its historic general liability insurers. Dresser seeks, among other relief, a declaratory judgment that Dresser is entitled to insurance coverage for all of its asbestos-related liabilities arising out of its pre-November 1, 1985 operations or the operations of its predecessors acquired prior to November 1, 1985. Dresser filed this lawsuit to further protect its insurance coverage asset in light of several developments including:

- Harbison-Walker's attempt to improperly access insurance coverage; and
- London-based insurers' lawsuits against other unrelated policyholders seeking to unilaterally and improperly modify existing coverage in place agreements.

Summary

Based on our analysis of the believed number of current claims pending against Harbison-Walker and our experience with our other asbestos claims, we recorded as discontinued operations in the 2001 second quarter an accrual of $93 million ($60 million, after tax) for potential liabilities for open and settled asbestos claims at June 30, 2001.

Discontinued Operations Asbestos Reserve Millions of dollars	June 30 2001
Harbison-Walker open claims liability	$ 576
Estimated insurance recoveries - Harbison-Walker	(518)
Harbison-Walker settled but not paid liability	33
Dresser Industries, Inc. claims on disposed businesses	14
Estimated insurance recoveries - Dresser Industries, Inc.	(12)
Asbestos claims in discontinued operations, net of insurance	$ 93

A summary of our reserves for all open asbestos claims and corresponding estimated insurance recoveries, including the above, is as follows:

Millions of dollars	June 30 2001	December 31 2000
Asbestos litigation claims	$ 699	$ 90
Estimated insurance recoveries:		
Highlands Insurance Company	(17)	(39)
Other insurance carriers	(558)	(12)
Insurance for asbestos litigation claims	(575)	(51)
Net liability for known open asbestos claims	$ 124	$ 29

The above are included in noncurrent assets and liabilities due to the extended time periods involved to settle claims.

In addition to the above, accounts receivable include amounts we expect to collect from Highlands Insurance Company of $20 million for payments we already have made on asbestos claims. If our appeal of the Chancery Court's ruling in the Highlands litigation is ultimately unsuccessful, we will be unable to collect this $20 million as well as the $17 million estimated recovery from Highlands. This may have a material adverse impact on the results of our operations and our financial position at that time.

Source: HALLIBURTON CO, 10-Q, August 09, 2001

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USCA5 7727

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EXHIBIT

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> Asbestos litigation re-emerged as a concern for investors last week after oilfield services giant Halliburton Co. said a jury slapped one of its units with $30 million in damages ... [the verdict] spurred continued anxiety on Monday, driving down shares of a disparate group of other companies facing asbestos claims.

This Reuters News article mentions substantial stock price declines for various companies, including Sealed Air Corp., Georgia-Pacific Corp., Crown, Cork & Seal Co. and Viacom, Inc.[66] We, similarly, found that the stock price of these companies fell. The chart below shows the stock price decline from Thursday, December 6, 2001, the day before the verdict was announced, until Monday, December 10, 2001.

Price Decline of Other Asbestos Defendants
Following Halliburton's Verdicts Announcement

	Date	Sealed Air	Georgia-Pacific	CBS/Viacom	Crown Holdings
Thursday	12/6/2001	$23.45	$34.45	$37.36	$1.85
Friday	12/7/2001	21.15	29.65	35.52	1.85
Monday	12/10/2001	19.04	28.13	32.34	1.74
	Price Decline	19%	18%	13%	6%

Source:
Data from FactSet Research Systems, Inc.

D. Alleged curative asbestos disclosures were unexpected news and increased uncertainty

The alleged curative disclosures, rather than being curative of the alleged misrepresentations, consisted of unexpected news; analysts commented on the size of the jury awards being unprecedented, unexpected and unusual.

> This jury award sets new precedents...[The] [s]ize of jury award was unexpected and is likely to have a negative impact on stock price tomorrow. [A.G. Edwards, October 31, 2001]

> However, Halliburton's past four asbestos trial court decisions/settlements have been very unusual and significantly different than those experienced by Halliburton in the past. [CIBC World Markets, December 11, 2001]

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[66] Viacom's asbestos claims relate to suits of Westinghouse that Viacom inherited through its merger with CBS.

FORM 8-K

HALLIBURTON CO - HAL

Filed: December 04, 2001 (period: November 29, 2001)

Report of unscheduled material events or corporate changes.

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Item 5. Other Events

SIGNATURE

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (date of earliest event reported)

November 29, 2001

Halliburton Company
(Exact name of registrant as specified in its charter)

State or other jurisdiction of incorporation	Commission File Number	IRS Employer Identification Number
Delaware	1-3492	No. 75-2677995

3600 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201-3391
(Address of principal executive offices)

Registrant's telephone number,
including area code - 214/978-2600

Source: HALLIBURTON CO, 8-K, December 04, 2001

INFORMATION TO BE INCLUDED IN REPORT

Item 5. Other Events

The registrant may, at its option, report under this item any events, with respect to which information is not otherwise called for by this form, that the registrant deems of importance to security holders.

Halliburton Company announced that on November 29, 2001, a Texas district court in Orange, Texas entered a judgment against its subsidiary, Dresser Industries, Inc., on a $65 million jury verdict rendered in September 2001 in favor of five plaintiffs following a trial of several weeks. Dresser believes that the trial court committed numerous errors, including the application of Alabama law and its evidentiary rulings during the trial. Additionally, the trial court denied Dresser the right to present evidence that the alleged illnesses of the plaintiffs were not caused by Dresser products, but instead could have been caused by the products of other companies which had previously settled with the plaintiffs. Dresser intends to appeal this judgment and believes that the trial evidence did not support the verdict and that its legal defenses will result in judgment on appeal in Dresser's favor.

The same district court also entered three additional judgments against Dresser in the aggregate amount of $35.7 million in favor of 100 other asbestos plaintiffs. These judgments related to an alleged breach of purported settlement agreements signed earlier this year by a New Orleans lawyer hired by Harbison-Walker Refractories Company, which had been defending Dresser pursuant to the agreement by which Harbison-Walker was spun-off by Dresser in 1992. These settlement agreements purportedly bind Harbison-Walker Refractories Company as the obligated party, not Dresser. Dresser intends to appeal these three judgments on the grounds that it was not a party to the settlement agreements and it did not authorize anyone to settle on its behalf. Dresser believes that these judgments are contrary to applicable law and that its appeal will be successful.

Source: HALLIBURTON CO, 8-K, December 04, 2001

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HALLIBURTON COMPANY

Date: December 3, 2001

By: /s/ Susan S. Keith

Susan S. Keith
Vice President and Secretary

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Created by 10KWizard www.10KWizard.com

Source: HALLIBURTON CO, 8-K, December 04, 2001

EXHIBIT

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HALLIBURTON

1999 Press Releases

FOR IMMEDIATE RELEASE: October 4, 1999

HALLIBURTON TO SELL TWO JOINT VENTURES, ANNOUNCES EARNINGS OUTLOOK

Dallas, Texas - Halliburton Company (NYSE:HAL) announced today that its subsidiary Dresser Industries, Inc. (Dresser) has elected to sell its interests in two joint ventures to Ingersoll-Rand Company (NYSE:IR) for total cash consideration of approximately $1.1 billion. These sales will result in an after-tax gain of approximately $380 million, or $ .84 per diluted share, and the gain will be recognized in the 1999 fourth quarter. The elections have been made pursuant to the governing agreements of the Dresser-Rand (D-R) and the Ingersoll Dresser Pump (IDP) joint ventures. Currently, Dresser owns 51 percent of D-R and 49 percent of IDP, while Ingersoll-Rand owns the remaining interests in the joint ventures.

Based upon the company's analysis, advice from its independent auditors and consultation with the SEC, Halliburton has concluded that the sale of the joint venture interests will not adversely affect the pooling of interests method of accounting used for the Dresser merger in 1998.

In August 1999, Ingersoll-Rand notified Dresser of its offer to sell its interests in the two joint ventures and specified the prices at which it would sell such interests. Pursuant to the governing agreements, Dresser has 60 days in which to make two elections. In the case of D-R, Dresser is required to elect to purchase Ingersoll-Rand's interest in D-R or sell its D-R interest to Ingersoll-Rand. In the case of IDP, Dresser is required to elect to purchase Ingersoll-Rand's interest in IDP or sell its IDP interest to Ingersoll-Rand. In each sale, the price is adjusted for differences in the size of their respective ownership interests. Dresser has now formally notified Ingersoll-Rand of its election to sell its interests in both joint ventures to Ingersoll-Rand and to close the sales on December 30, 1999.

The selling price is approximately $595 million for Dresser's 51 percent of D-R and $515 million for its 49 percent of IDP. Simultaneous with the closings of these sales, Dresser will repay the joint ventures approximately $220 million of outstanding advances made to Dresser. Net of taxes and all related costs, these sales will result in a net cash inflow of approximately $630 million which will be used to repay short-term debt, significantly strengthening Halliburton's balance sheet, and for other general corporate purposes.

Dick Cheney, Halliburton Company's chief executive officer, said, "We wish to thank the employees of Dresser-Rand and Ingersoll Dresser Pump for their many years of contributions towards Dresser's success and for their exceptional efforts to make the best of recent difficult market conditions. However, we believe it is in the best interest of Halliburton's shareholders to take advantage of this opportunity to exit the D-R and IDP joint venture investments given the attractive prices offered by Ingersoll-Rand."

The Dresser Equipment Group business segment is now significantly under-performing Halliburton's expectations, primarily due to poor current and projected financial performance at D-R and at IDP. D-R is expected to report an

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operating loss in the 1999 third quarter, and the entire Dresser Equipment Group business segment is now forecasting weaker operating results than previously expected in both the third and fourth quarters of 1999.

The lower than expected profits of the joint ventures and many of the other business units of the Dresser Equipment Group are significantly affecting the company's 1999 third quarter earnings. Also impacting results is a decline in the downstream Engineering and Construction business segment, offset by approximately $ 20 million of interest income from a tax refund. The third quarter earnings of the Energy Services Group segment will remain flat to slightly up compared to the 1999 second quarter due to continued low spending levels by the company's energy industry customers. As a result, the company expects that its 1999 third quarter earnings will be in the range of $.11 to $.13 per diluted share.

Halliburton Company, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group, Engineering and Construction Group and Dresser Equipment Group business segments. The company's World Wide Web site can be accessed at http://www.halliburton.com.

NOTE: In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Halliburton Company cautions that statements in this press release which are forward looking and which provide other than historical information, involve risks and uncertainties that may impact the company's actual results of operations. Please see Halliburton's Form 10-Q for the quarter ended June 30, 1999 for a more complete discussion of such risk factors.

Contact
Guy T. Marcus
Halliburton Company
Vice President - Investor Relations (p) 214.978.2691

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HALLIBURTON

2000 Press Releases

FOR IMMEDIATE RELEASE: October 24, 2000

HALLIBURTON RELEASES THIRD QUARTER EARNINGS, UP SIGNIFICANTLY OVER PRIOR YEAR AND PREVIOUS QUARTER

Dallas, TX - Halliburton Company (NYSE:HAL) reported today that 2000 third quarter net income was $157 million ($0.35 per share diluted), representing a 109 percent increase over the prior quarter, and a 171 percent increase compared to the third quarter of 1999.

Revenues from continuing operations were $3 billion, representing an increase of $156 million on a sequential basis. Operating income followed suit, increasing $122 million over the same period. Compared to the prior year's quarter, operating income increased $167 million on increased revenues.

Two nonrecurring items affected the third quarter. Operating results benefited from an $88 million pre-tax gain ($0.12 per share diluted, after tax) on the sale of marine vessels and were reduced by a $9 million pre-tax expense ($0.01 per share diluted, after tax) associated with the early retirement of the previous chairman of the Company. Without these items, operating income increased over 100 percent year-over-year and 34 percent sequentially. Net income excluding these items was $109 million ($0.24 cents per share diluted).

Dave Lesar, Halliburton's chairman of the board, president and chief executive officer, said, "I am very pleased with the Company's growth in earnings, which were driven by substantial operating improvements in our Energy Services Group. As activity levels within the oil and gas industry have continued to accelerate, we have increased our capacity utilization, especially in North America. Combined with the effects of stronger pricing of products and services within Halliburton Energy Services, we have been able to continue our strong performance that began earlier this year."

2000 Third Quarter Segment Results

The Energy Services Group business segment's 2000 third quarter revenues were $2 billion, representing a 19 percent increase year-over-year and a 7 percent increase sequentially. The Halliburton Energy Services business unit led the segment with a 31 percent quarterly increase in revenues year-over-year and a 9 percent increase sequentially.

Geographically, the Energy Services Group business segment's United States revenues increased 53 percent year-over-year and 20 percent sequentially. International revenues increased five percent year-over-year and were flat sequentially. In total, international revenues represented 63 percent of the segment's revenues for the quarter.

The Energy Services Group segment's 2000 third quarter operating income of $233 million increased $177 million from the year ago quarter and $126 million sequentially. Excluding the $88 million gain on the sale of marine vessels, operating income for the quarter increased 159 percent year-over-year and 36 percent sequentially. These improvements in operating income primarily resulted from higher capacity utilization and price improvements within Halliburton Energy Services, where incremental margins were 30 percent year-over-year

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and 28 percent sequentially. Excluding the gain on the sale of marine vessels, Brown & Root Energy Services' operating income of $10 million was negatively impacted by continuing low capacity utilization and by delayed customer projects. Increased sales and profitability on software at Landmark Graphics contributed to the segment's improved operating income.

The Engineering and Construction Group business segment's revenues in the 2000 third quarter were $1 billion, a 3 percent increase sequentially but a 21 percent decline from the year ago quarter. Most of the decline was attributable to reduced customer spending associated with Kellogg Brown & Root's downstream petroleum industry business. Operating income from the Engineering and Construction Group in the 2000 third quarter was $41 million, up $5 million sequentially and flat compared to the year ago quarter.

Discontinued Operations

Earlier this year we announced plans to sell our Dresser Equipment Group's business units to sharpen focus on our core business activities. Therefore, such businesses are accounted for as discontinued operations. Net income from discontinued operations in the 2000 third quarter was $27 million ($0.06 per share diluted) compared to $20 million ($0.04 per share diluted) in the year ago quarter. Sale of the Group's business units is expected to be completed before the end of the first quarter of 2001.

Technology and Business Successes

During the last three months, Halliburton achieved a number of technology and business successes, including:

- Halliburton Company acquired a 15 percent equity position in Petroleum Place, Inc., a leading industry Internet company focused on the global oil and gas property acquisition and divestiture market. Landmark Graphics Corporation, a Halliburton Company, will form a strategic alliance with Petroleum Place to provide online access to relevant Landmark software for use in the acquisition and development process, and will participate in joint software development for Internet-based property evaluations.
- Halliburton Energy Services announced the introduction of DeepWater Flo-Stop® (DWFS) 5000 - a single liquid additive used to control hazardous shallow water flow zones while cementing in deepwater. The additive can be used with cement already on the rig; thus, eliminating the logistics, rig-time and bulk transfer problems generally associated with costly specialty blends.
- Baroid Drilling Fluids, a product-service line of Halliburton Energy Services, participated in drilling one of the world's most extreme inclination wells - at an angle of 164.7 degrees - offshore East Asia. Utilizing Baroid's PETROFREE drilling fluid system, the Operator was able to successfully drill the world record well while minimizing potential risks to the environment.
- Halliburton Energy Services entered into a strategic agreement with 4th Wave Imaging Corporation to offer 3D time-lapse vertical seismic profile services to oil and gas producing companies. The agreement brings together Halliburton's global leadership in providing reservoir management solutions with 4th Wave Imaging's industry recognized expertise in time-lapse 3D surface seismic data analysis and interpretation (commonly referred to as 4D seismic).
- Halliburton Energy Services introduced two new cementing unit designs that will integrate the proven pumping and mixing systems its customers have come to expect, with innovative safety and technologically-advanced features. As a result of the growing demand for the company's products and services, more than 60 new cementing units - consisting of the Elite™ model, along with the Precision™ model - will be manufactured and deployed throughout North America over the next 12 months.
- Halliburton Energy Services has been selected by Shell Petroleum Development Company of Nigeria Limited (SPDC) and its partners to provide cementing and drilling fluids services on Shell's EA Development offshore Nigeria. This 54-well project is the first major offshore oil and gas

development for SPDC in Nigeria and is expected to begin operations in April 2001. The contract is valued at approximately $50 million.

This is the same development for which, earlier this year, SPDC awarded Brown & Root Energy Services an engineering, procurement, installation and commission lump sum contract that includes fabrication of a mooring facility and one of the largest floating production, storage and offloading vessels built in the last five years. That contract is valued at approximately $300 million.

- Brown & Root Services has been awarded a contract by the Defense Threat Reduction Agency to provide integrated project management, integrated logistics support, and data management to eliminate Russian Inter-Continental Ballistic Missiles and their silos. The project, under the Strategic Arms Reduction Treaty, consists of a two-year base agreement with seven option years. The project has a maximum value of $283 million and is currently in the start-up phase.

Halliburton Company, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments.

NOTE: In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Halliburton Company cautions that statements in this press release which are forward looking and which provide other than historical information involve risks and uncertainties that may impact the company's actual results of operations. Please see Halliburton's Form 10-Q for the quarter ended June 30, 2000 for a more complete discussion of such risk factors.

Click here to view Consolidated Statements of Income

Contact
Guy T. Marcus
Halliburton Company
Vice President
Investor Relations
(p) 214.978.2691

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FOR IMMEDIATE RELEASE
December 21, 2000

Contact: Guy T. Marcus
Vice President-Investor Relations
214/978-2691

HALLIBURTON ANNOUNCES NEW STRUCTURE AND ENGINEERING AND CONSTRUCTION CHARGES

DALLAS, Texas -- In its third quarter earnings conference call, Halliburton Company (NYSE:HAL) detailed its concerns regarding the poor near term market outlook for the downstream engineering and construction business and its decision to reorganize the engineering and construction business. A consolidating customer base, difficult relationships with certain customers, some financially stressed competitors and a fiercely competitive environment are all factors influencing the reorganization decision and affecting productivity and profitability. By way of contrast, Halliburton Company continues to experience very strong markets in its upstream energy services businesses, especially in North America.

Halliburton Company will operate two business segments in the future: the Halliburton Energy Services Group and the Engineering and Construction Group.

The Halliburton Energy Services Group will include Halliburton Energy Services, Landmark Graphics, large integrated projects that include both surface and sub-surface components, and the following businesses that were formally part of Brown & Root Energy Services - Halliburton Subsea, Wellstream, Production Services, Granherne, Bredero-Shaw joint venture and the EMC joint venture.

All engineering and construction activities will be consolidated under the Engineering and Construction Group. The upstream oil and gas engineering and construction, fabrication capabilities as well as the traditional engineering and construction business will be under Kellogg Brown & Root management. Individual brand identities will be maintained.

Current business conditions require us to focus on our core engineering and construction competencies of serving the energy, civil and government markets. Our goal is to deliver consistent, predictable, and profitable results. This will result in recording approximately $120 million after tax charges in the fourth quarter related to restructuring and charges on projects of the engineering and construction businesses.

-more-

Both Brown & Root Energy Services and Kellogg Brown & Root are impacted by the charges and reorganization.

The portion of the charges related to reorganization costs is expected to be approximately $25 million after tax and primarily relate to severance costs associated with a reduction in the number of senior management positions and costs to exit several facilities no longer required, while the remaining charges primarily relate to project specific matters.

During the quarter, several large fixed fee engineering and construction projects, including two projects where Kellogg Brown & Root participates as a member of a construction joint venture, incurred significant additional costs related to projected completion of the projects. Much of the additional costs relate to labor disturbances in Venezuela and West Africa that have significantly affected productivity on the projects. While claims will be made for a large portion of the additional costs, management does not believe that all the claims will be recovered. In addition, negotiations with customers regarding cost increases on seven other projects have not resulted in resolution of certain claims as originally anticipated.

Our goal for the engineering and construction business is to earn a 3 percent margin in 2001 and between 3-5 percent margin in the longer term given the expected market conditions. We believe this new structure will allow us to meet that goal. Our total backlog at the end of November 2000 was $9.7 billion. Approximately $6.5 billion relates to the backlog in the new Engineering and Construction Group businesses and we expect that backlog to be stronger at the end of 2001. We anticipate working off about sixty to sixty-five percent of that level of backlog during 2001.

Due to the ongoing strength of our upstream energy services businesses, fourth quarter 2000 earnings per share are expected to be between $0.25 and $0.27 per diluted share, including discontinued operations but excluding the items discussed above. "

Dave Lesar, Halliburton's chairman of the board, president and chief executive officer, said, "We are very disappointed that the high price oil and gas environment has not yet translated to increased spending by our customers on engineering and construction projects. The overwhelming majority of our projects are executed efficiently and profitably. We continue to identify ways to mitigate increased costs and aggressively negotiate claims resolution with our customers. This new structure will allow us to leverage our businesses more effectively as additional oil and gas engineering and construction project opportunities are planned by our customers.

"On a more positive note, we are very pleased with the continuing strong performance at Halliburton Energy Services, Landmark and Dresser

-more-

Equipment Group. Our efforts on selling the Dresser Equipment Group are proceeding with bids due this week. We plan to be in negotiations with leading bidders by early in January," Lesar concluded.

The Company also announced that it has now purchased in excess of twenty million shares of its stock under the previously announced stock repurchase plan.

Halliburton Company, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments. The company's web site can be accessed at www.halliburton.com.

NOTE: In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Halliburton Company cautions that statements in this press release which are forward looking and which provide other than historical information involve risks and uncertainties that may impact the company's actual results of operations. Please see Halliburton's Form 10-Q for the quarter ended September 30, 2000 for a more complete discussion of such risk factors.

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HALLIBURTON

2001 Press Releases

FOR IMMEDIATE RELEASE: June 28, 2001

HARBISON-WALKER ASKS HALLIBURTON FOR ASSISTANCE

DALLAS, Texas - Halliburton Company (NYSE:HAL) today announced that Harbison-Walker Refractories Company ("Harbison"), formerly owned by a Halliburton subsidiary, Dresser Industries, Inc. ("Dresser"), has requested that Dresser provide Harbison with claims management and financial assistance for asbestos claims Harbison assumed when it was spun-off from Dresser in 1992.

Many of these Harbison claims are asserted in lawsuits that also name Dresser as a defendant and Harbison is, in effect, co-insured with Dresser under a substantial insurance program that covers these claims and other asbestos claims against Dresser. Consequently, Dresser has a substantial interest in their resolution and the most effective use of this insurance.

In 1967 Dresser acquired Harbison's refractory manufacturing business and operated it as a division. In 1992 the refractory business and other non-core Dresser businesses were placed in a new subsidiary, Indresco, Inc., and spun-off to Dresser's shareholders. Indresco's name was later changed to Harbison-Walker Refractories Company. Harbison is now a subsidiary of RHI AG, an Austrian company.

In conjunction with the 1992 spin-off, Dresser and Harbison entered an agreement which allocated between them responsibility for asbestos claims related to the refractory business. Dresser agreed to retain claims filed prior to the spin-off. Harbison agreed to assume claims filed after the spin-off and to indemnify and defend Dresser against those claims.

Halliburton is now investigating Harbison's asbestos claims, including the status of various completed and proposed settlements and, open unsettled claims, and the financial condition of Harbison and its affiliates. Based on information received, Halliburton believes that Harbison now has about 165,000 open claims of which approximately 52,000 are subject to various settlement negotiations or agreements. These claims have not been previously reported by Halliburton because of Harbison's agreement to assume full responsibility for these claims and to indemnify and defend Dresser against them.

If Halliburton determines that Harbison is not able to perform adequately its obligations under the assumption agreement and that it is in Halliburton's best interest to do so, Halliburton may take the primary role for management and resolution of Harbison's claims. A decision in this regard is expected in the next several weeks.

Based on the information it has developed to date and its own experience in managing asbestos claims, Halliburton believes that if such a decision is made it would require an additional reserve for estimated known claims at June 30, 2001, net of insurance recoveries, of approximately $50 to $60 million, after-tax. This reserve would be recorded as a discontinued operations expense and be reduced by the contributions Harbison is capable of making toward the resolution of these claims.

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As previously announced, Halliburton will report a gain on the sale of the DEG Business Segment of approximately $300 million after tax. This gain and any required expense associated with the asbestos issues above would be netted together and both be included in the total discontinued operations. Results from continuing operations will not be affected.

"This is an unexpected development", said Dave Lesar, Chairman, President and CEO of Halliburton. "Although Harbison reaffirmed its responsibility for these claims as recently as last year, it appears that it may be in our best interest to step in and protect our shareholders."

Halliburton Company, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments.

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HALLIBURTON

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FOR IMMEDIATE RELEASE: October 30, 2001

HALLIBURTON DISPUTES ASBESTOS CLAIMS

DALLAS, Texas - A jury in Holmes County, Miss., rendered a verdict on Friday, October 26, 2001, against three companies in an asbestos case in favor of six plaintiffs for a total of $150 million. Halliburton's subsidiary, Dresser Industries, Inc., was a defendant in two of the claims. Halliburton's share of the verdict is $21.25 million. The award was for compensatory damages only and the jury refused to award punitive damages. The other two companies were assessed the remainder of the damages.

Halliburton will file post trial motions and vigorously appeal if the verdict is not set aside. Halliburton has strong defenses in response to the plaintiffs' claims. For example, the Harbison-Walker products to which the plaintiffs claimed exposure simply did not exist. The only doctor to find a supposed asbestos-related condition was a doctor hired by plaintiffs' lawyers to screen potential clients for asbestos-related disease.

In addition to a complete absence of proof on key elements of the claims against Halliburton, there were serious irregularities in both the jury selection process and the determination of the venue of the court that heard the case. Halliburton believes the Mississippi appellate court will ultimately vindicate its position.

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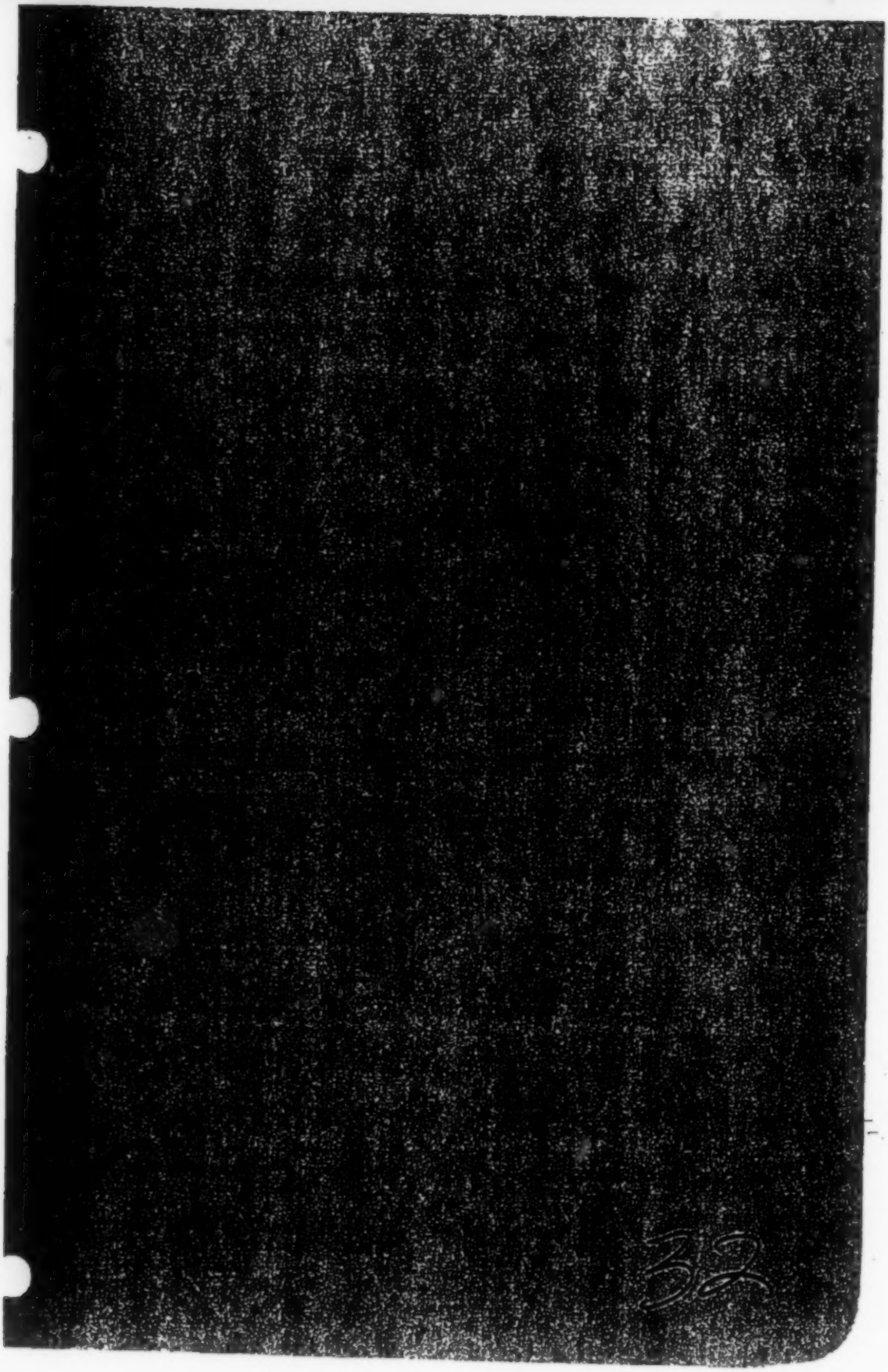
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FOR IMMEDIATE RELEASE: December 7, 2001

HALLIBURTON COMMENTS ON ASBESTOS JUDGMENTS

DALLAS, Texas - This week Halliburton announced three adverse asbestos litigation results. Those announcements are set forth in full at the end of this press release. We would like to provide some background for those announcements to put them into context.

Our strategy in managing asbestos cases is to achieve settlement of valid claims for reasonable amounts. When we believe that settlement demands by plaintiffs are not reasonable we go to trial. This strategy has resulted in resolution of over 194,000 asbestos claims during the last 25 years for reasonable aggregate amounts. Our Form 10-Q quarterly report for the period ending on September 30, 2001 contains more information about our asbestos claims and the results of our claims management.

The verdicts and judgments we reported this week were significantly outside our past experience. During the last several months Dresser and Kellogg Brown & Root have achieved favorable results in a number of other asbestos lawsuits where Dresser and Kellogg Brown & Root have been found to have no liability or relatively small amounts of liability. We believe that our management of asbestos claims is reasonable and effective and, over time, produces better results than the strategies followed by some other asbestos defendants.

As we previously announced, we believe that the $65 million dollar judgment in the district court in Orange, Texas is based on serious error during the trial and that the trial evidence does not support the judgment. Separately the same district court judge rendered the $35.7 million of judgments against our subsidiary Dresser Industries, Inc. based on settlement agreements to which Dresser was not a party and did not authorize. We believe that both of these actions are contrary to applicable law and we will appeal both of them. If our appeals do not succeed, we have substantial insurance that we expect will pay most of these judgments.

Our previous trial experience in the Baltimore court has been substantially better. We have a good basis for an appeal of this verdict if judgment on the verdict is rendered, although we cannot be certain of the result of such appeal. In any event, if our appeals do not succeed we have substantial insurance that we expect will pay most of any verdict amount.

During the coming weeks and months we expect Dresser and Kellogg Brown & Root will be involved in a number of other asbestos claim trials in several states. We cannot predict the outcome in these trials but we are confident of our strategy. We will continue to provide timely material information about the results of those trials. We are managing asbestos claims aggressively. We will continue our current claim strategy and seek to minimize any adverse financial impact on our company to the maximum extent possible. Our businesses are strong and healthy and our financial disclosure is accurate and complete.

Halliburton management will hold a telephone conference on Monday, December 10, 2001 at 7:00 am (CST) to discuss these matters.

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If you plan to participate in the teleconference, please telephone (913) 981-5583 ten to fifteen minutes prior to starting time and refer to confirmation code 471264.

The following is a restatement of the information in the two Form 8-K filings we made earlier this week.

December 4, 2001
Halliburton announced that on November 29, 2001, a Texas district court in Orange, Texas entered a judgment against its subsidiary, Dresser Industries, Inc., on a $65 million jury verdict rendered in September 2001 in favor of five plaintiffs following a trial of several weeks. Dresser believes that the trial court committed numerous errors, including the application of Alabama law and its evidentiary rulings during the trial. Additionally, the trial court denied Dresser the right to present evidence that the alleged illnesses of the plaintiffs were not caused by Dresser products, but instead could have been caused by the products of other companies which had previously settled with the plaintiffs. Dresser intends to appeal this judgement and believes that the trial evidence did not support the verdict and that its legal defenses will result in judgment on appeal in Dresser's favor.

The same district court also entered three additional judgments against Dresser in the aggregate amount of $35.7 million in favor of 100 other asbestos plaintiffs. These judgments related to an alleged breach of purported settlement agreements signed earlier this year by a New Orleans lawyer hired by Harbison-Walker Refractories Company, which had been defending Dresser pursuant to the agreement by which Harbison-Walker was spun-off by Dresser in 1992. These settlement agreements purportedly bind Harbison-Walker Refractories Company as the obligated party, not Dresser. Dresser intends to appeal these three judgements on the grounds that it was not a party to the settlement agreements and it did not authorize anyone to settle on its behalf. Dresser believes that these judgments are contrary to applicable law and that its appeal will be successful.

December 7, 2001
Halliburton announces that on December 5, 2001, a jury in Baltimore, Maryland returned verdicts against its subsidiary, Dresser Industries, Inc., and other defendants following a trial of several weeks involving asbestos claims. Each of five plaintiffs alleged exposure to Harbison-Walker Refractories products. Dresser's portion of the verdicts totals $30 million. Dresser believes that the trial court committed numerous errors, and that the trial evidence did not support the verdicts. Dresser intends to challenge the verdicts by post trial motion and, if those motions are not successful, to pursue an appeal aggressively.

Halliburton, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments.

Editor's Note: In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Halliburton cautions that statements in this press release which are forward looking and which provide other than historical information involve risks and uncertainties that may impact the company's actual results of operations. Please see Halliburton's Form 10 Q for the quarter ended September 30, 2001 for a more complete discussion of such risk factors.

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FOR IMMEDIATE RELEASE: April 5, 2007

HALLIBURTON COMPLETES SEPARATION OF KBR

Oilfield Services Company Announces Final Results of KBR Exchange Offer

HOUSTON, Texas – Halliburton Company (NYSE: HAL) today announced that it has completed the final separation of KBR Inc. (NYSE: KBR). The two companies now are separate and independent of each other.

"This is a major event for Halliburton, especially its dedicated employees, loyal customers and the shareholders," said Dave Lesar, Chairman, President and Chief Executive Officer, Halliburton. "As a pure oilfield services company, Halliburton now can focus on the global growth opportunities in its core energy services business."

Halliburton announced its plans in January 2005 to ultimately separate the KBR subsidiary. An initial public offering of KBR common stock was completed in November 2006.

"We wish KBR and its employees well as they move forward as an independent company," added Lesar.

All of the government services and engineering and construction businesses will remain with KBR.

The exchange offer expired at 12:00 midnight, New York City time, on April 2, 2007. Under the terms of the exchange offer, Halliburton has accepted 85,273,184 shares of Halliburton common stock in exchange for the 135,627,000 shares of KBR common stock held by Halliburton. Each share of Halliburton common stock accepted for exchange by Halliburton is being exchanged for 1.5905 shares of KBR common stock.

Because the exchange offer was oversubscribed, Halliburton accepted tendered shares on a pro rata basis in proportion to the number of shares tendered. Stockholders who owned less than 100 shares of Halliburton common stock, or an "odd-lot", who validly tendered all of their shares, were permitted to elect not to be subject to proration, in accordance with the terms of the exchange offer. All shares tendered by eligible electing odd-lot stockholders have been accepted. The final proration factor of 40.651959% was applied to all other tendered shares of Halliburton common stock to determine the number of such shares that would be accepted. Shares of Halliburton common stock tendered but not accepted for exchange will be credited promptly to the tendering holder's account in book-entry form.

Based on the final count by the exchange agent, Mellon Investors Services LLC, the results of the exchange offer are as follows:

Total number of shares of Halliburton common stock tendered	209,441,458
Shares tendered that were subject to proration	209,220,510
"Odd-lot" shares tendered that were not subject to proration	220,948
Total number of shares of Halliburton common stock accepted	85,273,184

Shares of KBR common stock distributed in exchange for accepted shares of Halliburton common stock will be credited promptly to the tendering holder's account in book-entry form by the exchange agent. Under the terms of the exchange offer, no fractional shares of KBR common stock will be distributed. Instead, fractional shares will be aggregated and sold, and the net cash proceeds of such sale will be distributed promptly by the exchange agent to tendering stockholders in accordance with their fractional interests in the shares sold.

Credit Suisse Securities (USA) LLC and Goldman, Sachs & Co. served as the dealer managers for the exchange offer.

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With more than 45,000 employees in nearly 70 countries, the company serves the upstream oil and gas industry throughout the lifecycle of the reservoir – from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field.

KBR is a global engineering, construction and services company supporting the energy, petrochemicals, government services and civil infrastructure sectors. KBR offers a wide range of services through its Energy and Chemicals (E&C) and Government and Infrastructure

usiness segments.

Important Information Regarding the Exchange Offer

The terms and conditions of the exchange offer are more fully described in a Prospectus-Offer to Exchange included in the Registration Statement on Form S-4 filed by KBR with the SEC and a Schedule TO filed by Halliburton with the SEC, each as amended to date. The Prospectus-Offer to Exchange contains important information about the exchange offer and related matters. You are able to obtain a free copy of the Prospectus-Offer to Exchange and other related documents filed with the SEC by Halliburton and KBR at the SEC's web site at www.sec.gov.

Forward-Looking Statements

Information in this communication contains forward-looking statements, which are based on the current plans and expectations of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. A list of factors that could cause actual results to differ materially from those expressed in, or underlying, those forward-looking statements is detailed in the filings of Halliburton and KBR with the SEC, such as annual and quarterly reports and the Prospectus-Offer to Exchange. Neither Halliburton nor KBR assume any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

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FOCUS - 3 of 3 DOCUMENTS

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Dow Jones Business News

Dow Jones Business News

October 4, 1999 Monday 11:43 PM GMT

LENGTH: 620 words

HEADLINE: Halliburton Sells Stakes In Joint Ventures For $1.1 Billion

BODY:

DALLAS -(Dow Jones)- Oil-services company Halliburton Co. Monday said its Dresser Industries Inc. unit agreed to sell its interests in two joint ventures to Ingersoll-Rand Co. for about $1.1 billion in cash.

Ingersoll-Rand (IR), an industrial-equipment maker, has been moving to unwind its involvement in the two joint ventures, and indicated in early August that if it bought the two ventures, it would seek a purchaser.

Woodcliff, N.J.-based Ingersoll-Rand had said that the joint-venture companies, which make compressors and pumps, don't fit its current strategy, adding that it would use proceeds from a sale to acquire high-growth businesses.

Dresser Industries will sell its 51% interest in Dresser Rand for $595 million, and its 49% interest in Ingersoll Dresser Pump for $515 million, Halliburton said. Those transactions are expected to close Dec. 30.

Analysts were mildly pleased with Halliburton's (HAL) decision to sell its interests in the two joint ventures to Ingersoll-Rand.

Geoff Kieburtz, an analyst with Salomon Smith Barney, called Monday's announcement a "modest positive" for the Dallas oil-services company. "It resolves an uncertainty that would have otherwise been there," he said.

The attractive valuation that Ingersoll-Rand put on the assets was "a principal factor" that led Halliburton to sell its interests, Halliburton told Dow Jones.

Kieburtz said Halliburton executives told analysts in an invitation-only conference call that it moved forward with the deal after the Securities and Exchange Commission said the sale would not put into jeopardy certain tax benefits from Halliburton's September 1998 acquisition of Dresser Industries.

After taxes, other costs and repayment of a $220 million advance Halliburton received from the joint ventures, Halliburton will come away from the transaction with about $630 million. That money will be used to repay short-term debt and for "other general corporate purposes," Halliburton said.

Halliburton also said it expects to post earnings below estimates because of lower-than-expected profits from the Dresser-Rand and Ingersoll Dresser Pump ventures and other units, which are significantly affecting its 1999 third quarter earnings.

Halliburton expects to report earnings of 11 cents to 13 cents a diluted share for the third quarter. The mean estimate of analysts surveyed by First Call/Thomson Financial was for earnings of 19 cents a share. Halliburton lost $527 million, or $1.20 a share, including charges, in the year-ago period.

Halliburton also expects to record a gain of $380 million, or 84 cents a diluted share, in the fourth quarter on the sale of the ventures.

The mean estimate of analysts surveyed by First Call/Thomson Financial was for fourth-quarter earnings of 25 cents a share. Halliburton earned $65.7 million, or 15 cents a diluted and basic share, on charges in the year-earlier quarter. Revenue was $4.29 billion.

Halliburton said that a decline in its downstream engineering and construction business segment will also hurt its third-quarter results. However, Halliburton said the decline at the engineering segment was offset by $20 million in interest income from a tax refund.

Halliburton also said the third-quarter earnings of its Energy Services Group segment will remain flat to slightly up, compared with the 1999 second quarter, due to continued low spending by its energy customers.

Halliburton, which reported revenue of $4.22 billion in the year-ago third quarter, provides products and services to the petroleum and energy industries. The company restated its year-ago third quarter figures to reflect the acquisition of Dresser Industries in September 1998.

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NOTES:
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LOAD-DATE: December 17, 2004

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HAL: REDUCING ESTIMATES; MAINTAINING BUY RATINGS
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HALLIBURTON COMPANY (L-T BUY/S-T BUY)

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HAL: REDUCING ESTIMATES; MAINTAINING BUY RATINGS

	Price	EPS ANNUAL			P/E		Dividend		3-Yr.	52-Wk
	1/4	12/98	12/99E	12/00E	12/99	12/00	Rate	Yld.	Grwth	Range
HAL	$38 1/2	$1.66	$0.64*	$0.90*	NM	42.8	$0.50	1.3%	NM	$52-27

HAL	2000E	Q1	$0.16E*	Q2	$0.19E*	Q3	$0.24E*	Q4 $0.31E*
	1999E	Q1	$0.18A	Q2	$0.19A	Q3	$0.13A	Q4 $0.14E*
	1998A	Q1	$0.46A	Q2	$0.55A	Q3	$0.44A	Q4 $0.20A

* represents change in estimates

Following a conversation with the company this morning, we are reducing our fourth quarter 1999 and 2000 EPS estimates.

For the fourth quarter, we are trimming our estimate by $0.02 to $0.14 from $0.16 to reflect lower oilfield services profits. Specifically, we have reduced our operating profit estimate in the Energy Services segment by $8 million to $72 million (compared with $56 million in the third quarter and $212 million in the year-ago period). While the company provided little earnings guidance, it did suggest that any variance to consensus estimates for the quarter likely would not be more than a couple of pennies. That said, the company is more comfortable being on the conservative side, although it noted that it has not yet seen figures for December. Our fourth-quarter 1999 EPS estimate is modestly below the $0.16 consensus mean.

For 2000, we are reducing our EPS projection to $0.90 from $1.10 as we are now electing to use more conservative forecasts to reflect the lower base point in the fourth quarter for Energy Serviecs and lower profit expecations in Engineering & Construction. Specifically, we are reducing operating profit estimates meaningfully for the Energy Services segment ($95 million, or $0.13 per share) and Engineering & Construction ($40 million, or $0.06 per share); we are trimming our Dresser Equipment estimate by $4 million or $0.01 per share. In the Energy Services segment, we are reducing our revenue estimate to $7.55 billion from $7.75 billion (compared with $6.9 billion estimated for 1999) and our operating profit estimate to $495 million from $590 million (compared with $234 million estimated for 1999). In the Engineering & Construction segment, we are reducing our revenue estimate to $5,475 million from $5,525 million (compared with $5,453 million estimated for 1999), and operating profit estimates to $180 million from $220 million (compared with $203 million estimated for 1999). In the Dresser Equipment segment, we are maintaining our revenue estimate at $1.45 billion but trimming our operating profit

estimate to $132 million from $136 million. Our 2000 EPS estimate is 19% below the current consensus mean of $1.11 per share, but in line with recent estimate reductions to the $0.85 to $1.00 range.

For 2001, we are maintaining EPS forecast at $1.75, which essentially matches the $1.74 consensus average.

Despite the estimate reductions, we remain positive on the industry recovery under way and Halliburton's earnings prospects through 2001. Consequently, we are reiterating our Buy/Buy ratings on the shares.

[HI Company Description:]Halliburton Company is a major provider of products and services to the petroleum and energy industris. In 1998, Halliburton's core Energy Services Group accounted for 52% of the company's total revenue and 67% of operating income (before special charges). Its other core group-Engineering and Construction-represented 32% of total revenue and 16% of operating income. The Dresser Equipment Group, which was acquired with Dresser Industries, comprised 16% of revenue and 17% of operating income. In 1998, 85% of the company's revenues were derived from the energy industry versus 84% in 1997 and 81% in 1996.

Additional Information Available Upon Request

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October 25, 2000

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Halliburton Co.

Weak E&C Outlook Prompts Restructuring; Reducing Estimates

Investment Conclusion

- Halliburton reported 3Q00 EPS before extraordinary items of $0.24 vs $0.13 a year ago. This was a penny below our estimate but one cent above consensus. In the conference call, management highlighted plans for a significant restructuring of its E&C business and sharply lower earnings for 4Q00 and 2001 due to weakness in this business. We are reducing our 4Q00, 2000 and 2001 EPS estimates to $0.25, $0.77, and $1.50, respectively, from our prior estimates of $0.34, $0.87 and $1.71. Our earnings estimates include the Dresser Equipment division, which is to be sold. This division generates about $0.05 per share per quarter in earnings. Adjusted for the elimination of the DEQ earnings, our pro forma EPS estimates for 2000 and 2001 are $0.56 and $1.28, respectively.

- We are maintaining our Buy rating but reducing our price target to $50 from $56. We anticipate much market confusion due to the uncertainty about future earnings, the valuation of the stock and what Halliburton may look like in the future. We will be revisiting all of these issues, including our EPS estimates and price target, over the near term. Our basic conclusion is that the stock price can move higher over the next 12 months given the strength of the oilfield service industry recovery, especially internationally where Halliburton derives 64% of its business. The stock price may go lower first, however.

- The shock in the conference call was management's statement that, given the outlook for customer spending in the shallow water marine construction market and the downstream E&C business, it is not sure that Halliburton has the critical mass to generate consistent and predictable profitability and profit growth from these sectors. Management believes the stock is being punished for the lack of this predictability. Therefore, it will look to a significant restructuring of these businesses with an eye to achieving this goal during 2001. We could envision a

Rating: BUY

HAL-NYSE (10/24/2000):	$41 5/8
52-week Range:	$55 3/16-33 7/16
Shares Outstanding:	451 Million
Float:	401 Million Shares
Market Capitalization:	$18.8 Billion
Dividend/Yield:	$0.50/1.2%
Fiscal Year Ends:	December
Book Value:	$10.13 per Share
2000E ROE:	10.4%
LT Debt:	$1.1 Billion
Preferred:	Nil
Common Equity:	$4.5 Billion

Earnings per Share	Prior	Current
1999	—	$0.63
2000E	$0.87	$0.77
2001E	$1.71	$1.50
P/E Ratio		
1999	—	66.1X
2000E	47.8X	54.1X
2001E	24.3X	27.8X

Cash Flow per Share	Prior	Current
1999	—	$1.98
2000E	$2.16	$2.05
2001E	$3.00	$2.79
P/CF Ratio		
1999	—	21.0X
2000E	19.3X	20.3X
2001E	13.9X	14.9X

Company Description:
Halliburton Co. is a diversified energy services, engineering and construction and maintenance company.

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substantial shrinking of these operations as they are presently constituted. In the end, the company should produce better returns on capital that should produce an improved valuation. The issue is how long it will take to accomplish this goal and what the near-term costs are.

- Management believes it must evolve into a more profitable and more consistent earnings performer in order to achieve a more proper stock market valuation. They plan to aggressively reinstate their stock repurchase plan as soon as their earnings quiet period is complete. This is both a statement of conviction about the long-term value of Halliburton and short-term to support the share price.

- Management also addressed Halliburton's potential exposure to asbestos claims. They stated that in their 3Q00 10-Q filing they will update their prior disclosure. The update will reflect nominal changes to their financial exposure. They believe this is an issue that is not growing for them, in contrast to other companies. Importantly, since they generated $88 million of pre-tax gains that could have been used to further strengthen their reserves, they elected not to, which speaks to their confidence that this is not a material issue.

- The HES oilfield service businesses turned in a stellar quarter with revenue up 31% year/year and 9% sequentially. Operating income advanced over 20% in all product lines except completions and incremental margins were 30%. The pressure pumping business generated 40% incremental margins. Domestically, this business unit is essentially at maximum capacity. Internationally, activity is just beginning to pick up. This business group will continue to carry the load for Halliburton's earnings in 2001.

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- The E&C business has two division, KBR and B&R Services. This latter unit performs government work and is generally a consistent revenue and operating income performer. The problem is in the KBR business that engineers and builds major upstream and downstream energy facilities. This business is at the trough of its cycle and there is little work that can be secured in 4Q00 that would begin to impact earnings before 2002. Thus, this business will have to live off its backlog which currently is slightly over $6 billion. We estimate it will complete about half that backlog next year, but at sharply reduced profit margins due to the present overhead designed to support substantially more work than will be done.

- Halliburton plans to re-consolidate all its E&C businesses which includes the BRES division within the Energy Service Group. BRES is essentially two businesses, deepwater field development and shallow water marine construction. Both businesses are suffering. The deepwater business is at about breakeven, but management is confident about the future upturn in this market and feels it is well positioned to participate in its long-term growth. The shallow water marine construction business is hurting and shows little signs of recovery, at least as presently structured under BRES. By re-consolidating all these businesses under a new management structure, costs can be addressed and a new business model may evolve.

Our quarterly EPS estimates are shown below.

		1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Year
1999	Actual	$0.18	$0.15	$0.13	$0.17	$0.63
2000E	Prior	$0.11A	$0.17A	$0.25E	$0.34E	$0.87E
2000E	Current	$0.11A	$0.17A	$0.24A	$0.25E	$0.77E
2001E	Prior	—	—	—	—	$1.71E
2001E	Current	—	—	—	—	$1.50E

Our quarterly cash flow per share estimates are shown below.

		1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Year
1999	Actual	$0.50	$0.48	$0.49	$0.51	$1.98
2000E	Prior	$0.44A	$0.48A	$0.58E	$0.67E	$2.16E
2000E	Current	$0.44A	$0.48A	$0.56A	$0.57E	$2.05E
2001E	Prior	—	—	—	—	$3.00E
2001E	Current	—	—	—	—	$2.79E

Exhibit 1: Halliburton Earnings Model (includes Dresser Equipment Group)

Halliburton Company
Symbol: HAL-NYSE
Fiscal Year End: December 31
(Amounts in MM)

	1999	2000					2001
	FY	Q1	Q2	Q3	Q4E	FYE	FYE
Revenues:							
Energy Services	6,999.0	1,723.0	1,897.0	2,021.0	2,300.0	7,941.0	9,529.2
Engineering & Construction Group	5,314.0	1,136.0	971.0	1,003.0	700.0	3,810.0	3,200.0
Dresser Energy Equipment	2,585.0	337.0	354.0	346.0	350.0	1,387.0	1,498.0
Total revenues	14,898.0	3,196.0	3,222.0	3,370.0	3,350.0	13,138.0	14,227.2
Operating Income:							
Energy Services	222.0	62.0	107.0	145.0	188.6	502.6	1,029.2
Engineering & Construction Group	208.0	36.0	36.0	41.0	12.6	125.6	89.0
Dresser Energy Equipment	249.0	36.0	37.0	42.0	36.8	151.8	164.8
Special Charges And Credits	47.0	0.0	0.0	0.0	0.0	0.0	0.0
General Corporate	(71.0)	(17.0)	(17.0)	(17.0)	(17.0)	(68.0)	(68.0)
Total Operating Income	650.0	117.0	163.0	211.0	221.0	712.0	1,205.9
Interest Expense	144.0	34.0	34.0	39.0	39.0	146.0	105.0
Interest Income	77.0	8.0	4.0	7.0	7.0	26.0	30.0
Foreign Currency Gain (Loss)	(8.0)	(4.0)	(2.0)	4.0	(1.0)	(3.0)	(5.0)
Other Nonoperating	(19.0)	0.0	0.0	(1.0)	2.0	1.0	8.0
Income Before Taxes	556.0	87.0	131.0	182.0	190.0	590.0	1,133.9
Provision For Taxes	214.0	34.0	51.0	68.0	74.1	227.1	442.2
Minority Interest	(43.0)	(4.0)	(5.0)	(5.0)	(5.0)	(19.0)	(15.0)
Net Income	299.0	49.0	75.0	109.0	110.9	343.9	676.7
Extraordinary gain (after tax)	159.0	215.0	0.0	48.0	0.0	263.0	0.0
EPS: Diluted							
Operating	$0.64	$0.13	$0.17	$0.34	$0.25	$0.77	$1.50
Net	$1.03	$0.59	$0.17	$0.35	$0.25	$1.35	$1.50
Diluted Shares	444.0	444.0	449.0	451.0	451.0	449.0	451.0
Depreciation And Amortization	595.0	145.0	140.0	145.0	145.0	575.0	580.0
Operating Cash Flow	894.0	194.0	215.0	254.0	255.9	918.9	1,256.7
CFPS: Diluted	$1.98	$0.44	$0.48	$0.56	$0.57	$2.05	$2.79
EBITDA	1,245.0	262.0	303.0	356.0	366.0	1,287.0	1,785.9
EBITDA Per Share	$1.40	$0.59	$0.67	$0.79	$0.81	$2.87	$3.96

Source: Company data and CIBC World Markets Corp. estimates

Exhibit 2. Halliburton Earnings Model (shows Dresser Equipment Group as Discontinued Operations)

Halliburton Company

Symbol: HAL-NYSE
Fiscal Year End: December 31
(Amounts in MM)

	2000					2001
	Q1	Q2	Q3	Q4E	FYE	FYE
Revenues:						
Energy Services	1,723.0	1,897.0	2,021.0	2,300.0	7,941.0	9,529.2
Engineering & Construction Group	1,136.0	971.0	1,003.0	700.0	3,810.0	3,200.0
Total revenues	2,859.0	2,868.0	3,024.0	3,000.0	11,751.0	12,729.2
Operating Income:						
Energy Services	62.0	107.0	145.0	188.6	502.6	1,029.2
Engineering & Construction Group	36.0	36.0	41.0	12.6	125.6	80.0
Special Charges And Credits	0.0	0.0	0.0	0.0	0.0	0.0
General Corporate	(17.0)	(17.0)	(17.0)	(17.0)	(68.0)	(68.0)
Total Operating Income	81.0	126.0	169.0	184.2	560.2	1,041.2
Interest Expense	33.0	33.0	38.0	39.0	143.0	105.0
Interest Income	7.0	3.0	6.0	7.0	23.0	30.0
Foreign Currency Gain (Loss)	(4.0)	(3.0)	4.0	(1.0)	(4.0)	(5.0)
Other Nonoperating	0.0	0.0	(1.0)	2.0	1.0	8.0
Income Before Taxes	51.0	93.0	140.0	153.2	437.2	969.2
Provision For Taxes	20.0	36.0	53.9	59.7	169.6	378.0
Minority Interest	(4.0)	(5.0)	(5.0)	(5.0)	(19.0)	(15.0)
Net Income	27.0	52.0	81.1	88.5	248.6	576.2
Income from Discontinued ops	22.0	23.0	27.0	23.7	95.7	100.5
Extraordinary gain (after tax)	215.0	0.0	48.0	0.0	263.0	0.0
EPS: Diluted						
Operating EPS from Continuing Ops	$0.06	$0.12	$0.18	$0.20	$0.56	$1.28
EPS from Discontinued Ops	$0.05	$0.05	$0.06	$0.05	$0.21	$0.22
EPS from Extraordinary Items	$0.48	$0.00	$0.11	$0.00	$0.59	$0.00
Net reported EPS	$0.59	$0.17	$0.35	$0.25	$1.35	$1.50
Basic shares outstanding	442	444	441	441	442	441
Diluted Shares	444	449	451	451	449	451
Depreciation And Amortization	122.0	140.0	145.0	145.0	552.0	580.0
Operating Cash Flow	149.0	192.0	226.1	233.5	800.6	1,156.2
CFPS: Diluted	$0.34	$0.43	$0.50	$0.52	$1.78	$2.56
EBITDA	203.0	266.0	314.0	329.2	1,112.2	1,621.2
EBITDA Per Share	$0.46	$0.59	$0.70	$0.73	$2.48	$3.59

Source: Company data and CIBC World Markets Corp. estimates

EXHIBIT

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Halliburton Company (NYSE:HAL) October 25, 2000
Neutral
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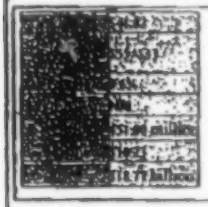
HALLIBURTON REPORTS; ANNOUNCES MAJOR RESTRUCTURING INITIATIVE

- Halliburton reported 3Q00 EPS of $0.24, excluding gains, slightly more than expectations.
- More interestingly, the company announced a major restructuring of its Engineering and Construction Group which continues to show disappointing results.
- The expected increase in international activity is materializing at a much slower rate than originally anticipated.
- Investor concerns of asbestos liabilities may dampen investor's interest in the stock until the ultimate outcome becomes more clear.



Dec/1999A		$0.61	62.1x
Dec/2000E		$0.75	52.7x
Dec/2001E	$1.51	$1.40	29.3x
2000 Q4	$0.25	$0.37	

After the market close, Halliburton announced third-quarter earnings, excluding gains, of $0.24, slightly more than expectations. While the Energy Services Group (ESG) posted solid results, primarily due to gains across all product lines in the Halliburton Energy Services division, we found the overall outlook to be worse than expected and, as a result, expect the stock to exhibit weakness through the remainder of the year.

The big surprise of the conference call was the announced restructuring of the Engineering and Construction Group (ECG). This group has been struggling for several quarters, primarily due to reduced customer spending in the Kellogg Brown & Root downstream petroleum business. Revenues were down 30% in the quarter and are not expected to recover until late in 2001 and into 2002. New downstream construction has been hampered by reduced spending by the majors following their recent mergers. The recently announced merger between Texaco and Chevron is likely to continue this trend.

As a result, management is rethinking its strategy for its ECG business. As part of the restructuring process, all of the ECG businesses will be consolidated under KBR in order to better facilitate cost reductions and re-alignment of the business. Halliburton realized an $88 million gain from the sale of marine assets and stated that it would be willing to sell additional assets in order to capture value from from this group. There will be increased severance costs and other restructuring charges that management hopes to offset with these asset sales. We believe that the timing of the charges and gains from asset sales may differ over the next several quarters, leading to erratic earnings from this group. During this restructuring, Halliburton will be evaluating whether they have the critical mass to deliver consistent, predictable returns in the ECG business over the long term.

We were also concerned that the expected increase in revenues from international markets continues to be weaker than expected. In the ESG, international revenues were flat sequentially and accounted for only 64% of the total revenue. International activity has been slowed by decreased spending by the majors, a trend that does not appear likely to reverse until 2001 at the earliest. We do, however, expect international activity to accelerate at a faster pace in 2001, which should benefit the HES group which typically derives approximately 70% of its revenues internationally.

Recently, there have been increased concerns about Halliburton's exposure to asbestos liabilities related to construction projects by KBR and Dresser Industries. Currently the company has accrued liabilities of only $75 million related to the claims. While management admits the size of the settlements has increased, they do not believe it will have any adverse material impact. However, given the recent massive settlement associated with asbestos litigation, we believe investor's concerns regarding these liabilities could hamper the stock's performance until the ultimate outcome becomes more clear.

The divestiture of the Dresser Equipment Group (DEG) is still expected to be completed by the end of the fourth quarter or early in 2001. DEG contributed EPS of $0.06 in the quarter. We believe it could take several quarters to reinvest the proceeds in a manner that replaces the earnings of the DEG.

We are reducing our fourth-quarter estimate to $0.27 from $0.29 and our FY2001 estimate to $1.42 from $1.57 to reflect the increasing weakness in the engineering and construction business and the slower-than-expected increase in international activity.

Stock Opinion:

We applaud the company's attempt to improve the results of the ECG and believe that the ESG is well positioned to benefit from the continued oilfield services cyclical recovery with strong market positions in several products/services segments. However, we believe there are too many uncertainties regarding the recovery in the non-oilfield service businesses. We recommend investor's focus on pure-play oilfield service stocks that are more highly leveraged to the continued cyclical recovery. We continue to rate the stock Neutral.

Company Description:

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James K. Wicklund
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Halliburton Company Earnings Model
(mill)

	2008E 1st Qtr 2008	2008E 2nd Qtr 2008	2008E 3rd Qtr 2008	2008E 4th Qtr 2008E	2009E 1st Qtr 2009E	2009E 2nd Qtr 2009E	2009E 3rd Qtr 2009E	2009E 4th Qtr 2009E	1998	2008E	2009E
Revenues											
Energy Services	$1,723.0	$1,897.0	$2,021.0	$2,239.0	$2,307.2	$2,280.6	$2,537.3	$2,803.0	$4,899.0	$6,408.4	$10,324.8
Engineering & Construction	$1,128.0	$971.0	$1,003.0	$948.1	$890.8	$840.8	$872.8	$803.7	$3,114.0	$3,976.1	$3,245.1
Total Revenues	2,850.0	2,868.0	3,024.0	3,187.7	3,198.0	3,121.1	3,368.3	3,606.4	12,313.0	11,686.7	13,208.8
Operating Expenses											
Energy Services	1,661.0	1,760.0	1,876.0	2,073.1	2,108.1	2,083.8	2,278.4	2,479.8	8,777.0	7,400.1	8,948.7
Engineering & Construction	1,100.0	938.0	992.0	938.7	784.9	818.4	798.5	781.8	3,111.0	3,838.7	3,178.1
Special Charges	0.0	1.0	3.0	0.0	0.0	0.0	0.0	0.0	(47.0)	3.0	0.0
General Corporate	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	71.0	68.0	68.0
Total Operating Expenses	2,778.0	2,743.0	2,887.0	2,828.7	2,907.9	2,929.1	3,093.7	3,272.6	11,912.0	11,307.7	12,196.8
Operating Income											
Energy Services	62.0	107.0	146.0	166.8	201.1	199.8	260.9	330.2	222.0	610.6	996.9
Engineering & Construction	38.0	38.0	41.0	8.8	18.0	28.3	24.8	24.2	203.0	121.8	90.0
Special Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	47.0	0.0	0.0
General Corporate	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(71.0)	(68.0)	(68.0)
Total Operating Income	81.0	128.0	169.0	167.9	200.1	208.0	268.8	337.3	401.0	663.9	1,011.0
Other Income											
Interest (expense)	(33.0)	(33.0)	(30.0)	(37.6)	(37.0)	(36.0)	(36.5)	(36.1)	(142.0)	(141.6)	(146.6)
Interest income	7.0	3.0	6.0	7.6	8.5	11.1	13.8	14.8	76.0	23.6	48.2
Foreign Currency Gains	(4.0)	(3.0)	4.0	5.0	0.0	0.0	0.0	0.0	(8.0)	(3.0)	0.0
Other Income (loss), net	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(19.0)	(1.0)	0.0
Total Other Income	(30.0)	(33.0)	(29.0)	(29.6)	(27.4)	(25.7)	(23.7)	(21.4)	(94.0)	(121.8)	(98.5)
EBIT	84.0	128.0	176.0	166.8	209.8	218.1	281.4	352.1	448.0	383.8	1,058.2
EBITDA	208.0	264.0	317.0	334.1	347.2	353.4	418.3	488.7	990.0	1,111.1	1,807.7
Pretax Income	51.0	93.0	140.0	138.2	172.3	178.3	244.8	316.0	307.0	442.2	912.4
Income Taxes	20.0	36.0	53.7	50.9	68.3	69.0	84.3	121.8	116.0	170.8	351.3
	31.0	57.0	86.3	97.3	108.0	110.2	160.8	194.3	191.0	271.8	561.1
Minority Interests	(4.0)	(6.0)	(5.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(17.0)	(16.0)	(20.0)
Extraordinary Items & Change in	216.0	0.0	46.7	0.0	0.0	0.0	0.0	0.0	140.0	283.7	0.0
Discontinued Ops	22.0	23.0	27.0	28.4	28.7	28.3	25.8	27.1	126.0	123.4	108.0
Net Income	264.0	75.0	157.0	121.7	129.7	131.5	172.4	216.4	438.0	617.7	650.1
Avg Weighted Shares Out	443	444	445	450	450	450	450	450	441	446	461
Fully diluted shares	444	448	451	456	459	459	456	461	444	450	467
Earnings per Share											
Continuing Operations	$0.06	$0.12	$0.18	$0.20	$0.22	$0.23	$0.32	$0.41	$0.89	$0.86	$1.16
Discontinued Operations	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06	$0.26	$0.23	$0.24
Extraordinary Items & Accounti	$0.48	$0.00	$0.11	$0.00	$0.00	$0.00	$0.00	$0.00	$0.33	$0.69	$0.00
Net Income	$0.59	$0.17	$0.35	$0.27	$0.29	$0.29	$0.38	$0.47	$0.99	$1.37	$1.42
Operating Margin	2.8%	4.4%	5.6%	6.0%	6.4%	6.5%	8.0%	9.3%	3.3%	4.8%	7.7%
PreTax Margin	1.8%	3.2%	4.6%	4.1%	5.4%	5.7%	7.3%	8.8%	2.5%	3.7%	6.9%
Tax Rate	39.2%	38.7%	38.3%	36.8%	36.5%	36.5%	36.5%	36.8%	37.8%	38.6%	38.5%
Net Margin	9.3%	2.6%	5.2%	3.8%	4.2%	4.2%	5.1%	6.0%	3.6%	5.2%	4.9%

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EXHIBIT

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Equity Research
North America

United States of America

Energy: Oil Services & Equipment

Halliburton Co.

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Analysis of Sales/Earnings

October 25, 2000

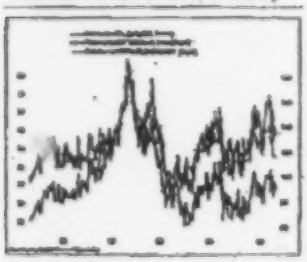
Big Changes Underway in E&C

STRONG BUY	
Price (October 24, 2000):	$41.63
Price Target:	$65
52-Week Range:	$55.19 - 33.44

WHAT'S CHANGED	
Earnings (2000):	*From $0.82 to $0.79*
Earnings (2001):	*From $1.88 to $1.50*

- **Third quarter EPS above expectations.**
  Core oilfield service performance was quite solid. This segment has real momentum moving into 2001.
- **Management focussing on improving valuation. Expect meaningful change.**
  A comprehensive strategic assessment of the company's underperforming E&C businesses is underway. Near term, these businesses will earn less than we had previously forecasted.
- **We lowered our 2001 EPS estimate...**
  Largely to reflect a very sluggish E&C market. Our estimate for 2001 is now a $1.50/share.
- **Management is a buyer of the stock at current levels.**
  Senior management suggested that it intends to buy back shares aggressively at current levels.

Price: Abs. and Rel. To Market & Industry



Company Description

Halliburton provides products, services, and integrated solutions for oil and gas exploration, development, and production. Capabilities range from the initial evaluation of producing formations to drilling, completion, production enhancement, and well maintenance.

FY ending Dec 31:	1999A	2000E	2001E	2002E
EPS ($)	0.61	0.79	1.50	2.35
Prior EPS Est. ($)	--	0.82	1.88	2.44
Consensus EPS Est. ($)*	--	0.81	1.58	2.23
CEPS ($)	2.02	2.12	2.70	3.68
P/E	68.0	53.2	27.8	17.7
P/CE	20.8	19.6	15.4	11.7
Price/Book	4.0	4.0	3.5	3.0
Yield (%)	1.2	1.2	1.2	1.2

Market Cap ($ m)	18,546
Enterprise Value ($ m)	20,392.2
Debt/Cap (2000) (%)	20.4
Return on Equity (2000) (%)	7.8
L-T EPS Gth (yy - yy) (%)	20.0
Shares Outstanding (m)	445.5

Qtrly EPS	1999A actual	2000E curr	2000E prior	2001E curr	2001E prior
Q1	0.18	0.11A	--	--	--
Q2	0.19	0.17A	--	--	--
Q3	0.15	0.24A	--	--	--
Q4	0.17	0.26E	0.25E	--	--

E = Morgan Stanley Dean Witter Research Estimate
** Consensus EPS estimates from First Call*

Please refer to important disclosures at the end of this report.

Big Changes Underway in E&C

Third Quarter Was Solid...
Halliburton (HAL) reported third quarter 2000 operating EPS of $0.24, slightly ahead of our $0.22 estimate, and a penny better than the consensus. Revenues and operating profits by segment were generally in-line with our estimates, with total revenues and operating profits modestly better than our overall expectations. We present a detailed comparison of actual 3Q results versus our expectations and results from 2Q in Exhibit 3 at the end of this note.

But the Real Story Involves the Future of E&C...
The real story at Halliburton is not the company's current or near-term earnings profile, but rather the significant restructuring of its three major Engineering & Construction (E&C) businesses that is now underway. In summary, senior management, as headed by new CEO Dave Lesar, is in the process of completing a comprehensive strategic assessment of the company's entire E&C business segment.

Management's hunch is that the poor performance and mediocre intermediate term outlook for its overall E&C businesses has been and will continue to be detrimental to the company's valuation in the marketplace. We candidly support this exercise.

Earnings Outlook Remains Uncertain
The profit contribution from the company's three E&C segments will likely decline meaningfully in 2001 versus 2000, considerably more than we have previously forecasted. This is especially troubling from the context of valuation because it distracts investors from the impressive improvements that are underway within the company's core oilfield service operations. As discussed in more detail below, these operations represent most of the company's value.

In terms of assessing the company's earnings outlook for 2001, 2002 and even peak of cycle, several assumptions must be made including: (1) the amount of stock that the company will repurchase and the price paid for the shares on average, (2) the net proceeds received from the company's ongoing divestitures of its DEG assets, (3) the underlying consolidation benefits of the soon-to-be-restructured E&C businesses, and (5) the net proceeds associated with any E&C divestitures.

For now, our revised 2001 earnings outlook contemplates that the company: (1) divests of the DEG assets, (2) buys back roughly 20 million shares of stock (roughly one-half of its current authorization), and (3) generates E&C earnings that are roughly one half of our prior expectations. In such a scenario, the company would probably earn roughly $1.50/share, versus our prior outlook of $1.86/share.

In truth, what really happens over the course of the next year will be substantially different than what we have outlined above. The company intends to provide some clarity with respect to its E&C strategies over the next couple of months. Our guess is that the cost savings associated with the restructuring will be meaningful, the company will buy back more shares (and will possibly expand its current authorization) and selective, but significant, divestitures will take place in the E&C segment.

Sum of the Parts Valuation
The relative lack of clarity in the company's intermediate term earnings profile will certainly prompt investors to question the company's valuation. In order to answer the question "what should HAL trade for in the current market" we have performed a very straightforward analysis. We have basically broken the company up into two pieces: (1) Core Oilfield Services (OFS), which includes Halliburton Energy Services (HES) and Landmark Graphics (LMRK); and (2) everything else. "Everything else" includes: Brown and Root Energy Services (BRES), the company's offshore construction business, Kellogg Brown & Root (KBR) and Brown & Root Services (BRS) - which together, make up the company's global E&C operations - and the Dresser Equipment Group (DEG) businesses, which are now in the process of being sold.

Based on our current estimate of a 2001 EBITDA contribution of $1.4 billion from HES and LMRK, and using the current EBITDA multiple range from a comparable group which includes SLB, BJS, CAM and SII, we believe that the company's core oilfield services business accounts for between 75% and 98% of HAL's total market capitalization (see Exhibit 1). By implication, the current market cap of HAL implies that "everything else" (the E&C business, DEG and BRES) have an aggregate value of between $400 million and $4.6 billion. For reference, if we were to apply the SLB multiple to HAL's

Please refer to important disclosures at the end of this report.

core HES/Landmark profits, the implied value of "everything else" would be meaningfully negative.

Exhibit 1
Sum of the Parts Valuation

$ in millions	2002E EBITDA	6/5 EBITDA Mult Low	6/5 EBITDA Mult High	Core OFS Value Low	Core OFS Value High
HES & LMRK	$1,000	11.0x	14.0x	$15,400	$19,600
HAL Net Debt				(1,500)	(1,500)
Implied Equity Value Of HES & LMRK				$13,900	$18,100
HAL Market Cap.				$18,523	$18,523
Implied Equity Value Of E&C, BRES & DEG				$4,623	$423

Source: Morgan Stanley Dean Witter Research.

In Summary

In summary, we would make several points. First, the intermediate term earnings outlook for HAL is murky due largely reduced expectations for core profitability in its E&C business, uncertainty with respect to the timing, structure and underlying cost benefits of the ongoing E&C restructuring and the timing and magnitude of share repurchases. Second, based on a very realistic sum of the parts valuation assessment, the stock appears to be well supported in the $40/share range, especially given that management intends to "aggressively" repurchase shares at or around current trading levels. Finally, HAL's core oilfield service segments are performing quite well. These operations represent the vast majority of the company's overall enterprise value.

While we will quickly concede that we have been caught somewhat off guard with respect to 2001 profit expectations in the company's three major E&C segments, we will also highlight that the stock has declined significantly in recent weeks. Most importantly, we are not inclined to alter our peak earnings assessment of $3.25/share for the company at this time. On this basis, we believe the stock remains undervalued. Our rating remains Strong Buy.

Exhibit 2
Oil Services Valuation Summary

	Recent Price	2001E EPS	2001E P/E	Peak EPS	Peak Price/ Peak
U.S. Majors					
BHI	$35.94	$1.10	32.6	$2.70	96.8
HAL	$41.53	$1.50	27.8	$3.25	12.8
SLB	$79.81	$2.00	39.8	$4.50	17.8
Average			33.3		15.8
U.S. Mid-Caps					
BJS	$33.83	$2.15	24.9	$3.35	10.0
CAM	$53.56	$2.61	20.4	$4.60	14.1
CDIS	$55.00	$2.11	26.1	$3.50	16.7
DRQ	$30.28	$1.45	20.9	$3.40	13.0
GRP	$19.00	$1.04	18.3	$2.40	7.9
SII	$72.75	$2.74	26.6	$5.00	14.6
WFT	$36.75	$1.70	21.6	$3.25	11.3
Average			24.4		13.2

E = Morgan Stanley Dean Witter Research Estimate

3Q 2000 Earnings Summary

As discussed above, HAL reported 3Q00 EPS of $0.24, versus our expectation of $0.22. In Exhibit 3, we highlight the HAL's results in comparison to our own expectations.

Exhibit 3
Halliburton Third Quarter 2000 Earnings Summary

($ in millions)	Actual 3Q00	MSDW 3Q00E	Diff.	Actual 3Q99
Revenues:				
Oil Services	$2,021	$1,945	76	$1,887
E&C	1,093	1,090	3	971
Energy Equipment	346	415	(69)	364
Total Revenues	3,570	3,360	10	3,222
Operating Income:				
Oil Services	145	137	8	107
E&C	41	36	4	38
Energy Equipment	42	42	1	37
Segment Oper Inc	228	216	12	180
Corporate	(17)	(17)	0	(17)
Operating Income	211	199	12	163
Net Interest Expense	32	32	0	30
Currency/Other	(2)	3	0	2
Earnings Before Tax	182	164	18	131
Income Tax Expense	69	62	(7)	51
Minority Interest	5	3	(2)	5
Net Income	109	99	10	75
Diluted EPS	$0.24	$0.22		$0.17

Source: Company data, Morgan Stanley Dean Witter Research

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Halliburton Co. - October 23, 2000

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EXHIBIT

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OILFIELD SERVICES AND EQUIPMENT

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PaineWebber
RESEARCH NOTE

October 25, 2000

Halliburton Co
(HAL-$41.63)

Rating: Neutral

Halliburton: EPS In Line but Future Outlook Worsening in E&C Businesses

KEY POINTS

- Halliburton reported EPS from continuing operations of $0.18 for 3Q:00. EPS from continuing operations excludes $0.06 in EPS from discontinued operations and $0.11 of net gains on asset sales and one-time charges.
- The Halliburton Energy Services (HES) segment had a strong performance in the quarter as revenues grew 33% year-year and 8.5% sequentially. Operating income for HES rose over 300% year-year and 33% sequentially.
- Landmarks also continued to post strong improvements in revenues and earnings as software sales continue to rise and margins expand due to this positive mix shift.
- As strong as the results continue to get in the HES segment and at Landmark, business is deteriorating rapidly in Halliburton's engineering & construction businesses.
- The diminishing performance of the E&C businesses leads us to sharply curtail our earnings expectations for these businesses in 4Q:00 and 2001.
- More importantly, HAL management is undertaking an aggressive restructuring of its E&C businesses by recombining Brown & Root Energy Services with Kellogg Brown & Root and Brown & Root Services in an attempt to reduce costs and perhaps improve the long-term competitiveness of this business.
- We think that management is correct in restructuring this business, but we also believe that it should go one step further and spin-off these businesses shortly thereafter.
- While a spin-off might have had a negative impact when its earnings contribution was higher due to historically lower valuations for E&C companies, the minimal near-term earnings has already diminished the value of the E&C business to HAL shareholders. At this point, we think it is better for investors see this company in separate pieces.
- We are lowering our price target for HAL to $48 from $56 to reflect a lower estimated "normalized" return on capital and as well as a higher discount rate and lower target multiple. Our rating remains Neutral as the stock lacks a positive catalyst.

Key Data	
52-Wk Range	$56-34
Eq.Mkt.Cap.(MM)	$18,548
Sh.Out.(MM)	445.5
Float	100%
Inst.Hldgs.	79.0%
Av.Dly.Vol.(K)	2,924
Curr. Div./Yield	$0.50/1.2%
Sec.Gnwth.Rate	NA
12-mo. Tgt Price	$48.00
12-mo. Ret. Pot'l	16.5%
Convertible?	No
Debt/Capital	29.1%

Quarterly Earnings Per Share (fiscal year ends December)

	1999A	2000E	*Prev*	2001E	*Prev*
1Q	$0.18	$0.06A			
2Q	0.19	0.12A			
3Q	0.13	0.18A	*0.17*		
4Q	0.17	0.20	*0.22*		
Year	$0.67	$0.56		$1.06	*$1.31*
FC Cons.:	$0.67	$0.81		$1.58	
P/E:	62.1x	74.3x		39.3x	
Revs.(MM):	$14,893	$11,851		$12,137	
Cash flow/sh.:	$2.02	$1.73		$2.37	
P/CF:	20.6x	24.1x		17.6x	

Halliburton, through subsidiaries, provides services and products for the exploration, development and production segments of the petroleum industry; and provides engineering, construction, project management, facilities operation and maintenance for industrial and governmental customers.

Earnings exclude all extraordinary and one-time gains and losses.

THIRD QUARTER EARNINGS ARE SOLID AT HES

Halliburton had slightly better than expected earnings from continuing operations during the third quarter. The company benefited from higher operating earnings in the Energy Services (ESG) segment largely due to strong performance in the Halliburton Energy Service (HES) segment as well as at Landmark Graphics. Third quarter results were also better than expected from the downstream E&C operations of Kellogg Brown & Root (KBR) and Brown & Root Services (BRS), while Brown & Root Energy Services (BRES) performed worse than expected. The net effect was still a disappointment from E&C operations continuing a trend that has been in place for several quarters.

HES revenues grew strongly in the quarter, rising 33% and operating income surged over 300% versus a year ago. We estimate that operating margins in this unit were 9.4% versus 2.9% a year ago and 7.7% in the last quarter. The strength of the HES segment is largely the result of strong growth of pressure pumping revenues and earnings. Pressure pumping represented about 45% of HES revenues and in North America had revenue growth of 40% year-year. Pricing continues to be very favorable in the pumping industry as record gas drilling levels have strained industry capacity. HES revenues and earnings are also benefiting from improvements in logging, drilling fluids and drill bits as well.

E&C OPERATIONS WEAKENING

BRES revenues were essentially flat year-year and quarter-quarter, but its operating margins dropped precipitously excluding the impact of an $88 million extraordinary gain from the sale of marine assets during the quarter. The offshore engineering and construction market continues to be quite weak and BRES is not building backlog outside of a select number of deepwater projects. As a result, BRES is struggling to make money with any consistency and it now appears that the segment will only be breakeven in the fourth quarter. Management indicates that BRES will also be no better than breakeven for 2001, which is well below our previous forecast.

While KBR reported higher operating earnings in the quarter than we had forecast, the outlook is nearly as bleak for this division as it is for BRES. Due to continued delays in capital investment in downstream energy projects, KBR is not building backlog and replacing its revenues, therefore the visibility of earnings is diminishing.

CUTTING ESTIMATES FOR 4Q:00 AND 2001

Due to Halliburton's exposure to the weakening outlook for upstream and downstream engineering and construction projects (excluding deepwater) the company's earnings outlook is diminishing. This is particularly disappointing since the earnings outlook at nearly all of its peers is improving at this point in the cycle. We are reducing our 4Q:00 EPS estimate to $0.20 from $0.22 and our 2001 estimate drops more sharply to $1.06 from $1.31. Several months ago, we had adjusted our HAL estimates to reflect the worsening E&C outlook, but this entire differential had been offset by improvements in Energy Service earnings. However, this reduction in E&C estimates overwhelms a modest increase in our Energy Service earnings. On a combined basis (BRES, KBR, and BRS) earnings are being revised sharply downward to about $70 million in 2001 from $300 million.

WEAKENING E&C PROMPT RESTRUCTURING

After three years of significantly diminished E&C performance at HAL, management is finally taking more radical restructuring steps within its E&C businesses. The company announced plans to recombine BRES with KBR and BRS (BRES was separated out several years ago) in an attempt to significantly reduce the cost structure within the E&C operations and perhaps bring operating and technical synergies to this business. While management declined to give estimates of cost saving potential, we would be surprised if the company could not find $100 million of savings. The restructuring plan will not just include recombining operations, but also shedding additional assets. For example, HAL could try to shed its interest in a pipelaying joint venture with Saipem or its small SubSea International division to further reduce the capital and asset intensity of this business. Management indicated that it should be able to provide more details on the savings and costs associated with the restructuring in December.

In our opinion, the restructuring of the E&C business is a positive, but we think that management should further consider spinning this business off to shareholders, especially now that its imputed value within HAL has diminished significantly. Previously, we believe that investors have not differentiated between the earnings contribution from ESG or E&C in terms of HAL's multiple. E&C earnings and cash flow have tended to be valued at the same multiple as ESG. However, given the troubles, we believe that this will be more common and since the current net contribution is so small, it would make sense to bite the bullet now rather than later. Furthermore, investors are likely to be pleased if HAL were to become a pure play upstream oilfield services company.

INVESTMENT CONCLUSION

We have been concerned about the weakening impact of E&C on HAL's earnings and valuation for some time and this has been one of the reasons behind our Neutral rating on the stock. However, the situation is worse than expected and we have made some changes to our valuation model in terms of estimated "normalized" earnings, potential target multiple and discount rate. All of these changes combine to lower our target price to $48 from $56. While HAL's stock price would appear to have attractive upside relative to our target, we think investors should still avoid the stock over the near-term until a catalyst becomes more apparent.

RISKS

In our opinion, the major risks are as follows: 1) oil and gas prices turn out to be substantially below our current expectations; 2) oil company exploration and development spending does not live up to our expectations of 15-20% growth per year; 3) service industry cost increases outpace price improvements causing undue margin pressure; and 4) oilfield valuations, which have risen back to mid-cycle levels over the past year, do not rise further toward previous peak levels.

Additional information available upon request.

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EXHIBIT

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SALOMON SMITH BARNEY

Target Price Change ☑
Estimate Change ☑

Halliburton Co. (HAL)

HAL: 3Q in line; E&C Outlook weak; Trimming Estimates

1L *(Buy, Low Risk)*
Mkt Cap: **$18,494.3 mil.**

United States

October 25, 2000

OILFIELD EQUIPMENT & SERVICES

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SUMMARY

- Halliburton reported third quarter EPS of $0.24 versus $0.17 in the second quarter and our $0.24 estimate. Excluding Dresser Equipment Group, second quarter EPS was $0.18, versus $0.06 last year, and $0.12 in the first quarter.
- ES was the source of the growth, driven by strong HES revenue and margins. Landmark had strong growth in operating results, while BRES operating income beat expectations. Improved HES margins were driven by recent U.S. pressure pumping, completion products, and drilling systems price hikes.
- We believe the near-term outlook for E&C is bleak. The company is working off backlog, with little orders coming in the door. We expect material declines in revenues and operating income from this group next quarter. Management plans a significant restructuring of these operations.
- Based on the weak E&C outlook, we are trimming our price target to $58 and our estimates as detailed in the table below and maintain our 1L rating.

FUNDAMENTALS	
P/E (12/00E)	52.1x
P/E (12/01E)	37.4x
TEV/EBITDA (12/00E)	15.1x
TEV/EBITDA (12/01E)	12.8x
Book Value/Share (12/00E)	$10.50
Price/Book Value	3.9x
Dividend/Yield (12/00E)	$0.50/1.2%
Revenue (12/00E)	$13,879.4 mil.
Proj. Long-Term EPS Growth	NA
ROE (12/00E)	8.2%
Long-Term Debt to Capital(a)	18.3%

HAL is in the S&P 500® Index.

(a) Data as of most recent quarter

SHARE DATA	
Price (10/23/00)	$41.19
52-Week Range	$54.69-$33.69
Shares Outstanding(a)	449.0 mil.
Convertible	No

RECOMMENDATION	
Current Rating	1L
Prior Rating	1L
Current Target Price	$58.00
Previous Target Price	$65.00

EARNINGS PER SHARE

FY ends		1Q	2Q	3Q	4Q	Full Year
12/99A	Actual	$0.10A	$0.19A	$0.13A	$0.15A	$0.65A
12/00E	Current	$0.11A	$0.17A	$0.24A	$0.26E	$0.75E
	Previous	$0.11A	$0.17A	$0.24E	$0.34E	$0.86E
12/01E	Current	$0.21E	$0.25E	$0.29E	$0.34E	$1.10E
	Previous	NA	NA	NA	NA	$1.45E
12/02E	Current	NA	NA	NA	NA	$1.90E
	Previous	NA	NA	NA	NA	$2.20E

First Call Consensus EPS: 12/00E $0.81; 12/01E $1.56; 12/02E $2.23
2001 Quarterly Estimates represent continuing operations

OPINION

Summary - Halliburton reported third quarter EPS including the Dresser Equipment Group (DEG) of $0.24 versus $0.10 last year, $0.17 in the second quarter and in-line with our $0.24 estimate. Excluding DEG, the company earned $0.18 per share, versus $0.12 in the second quarter and effectively in-line with our estimate. The strong sequential earnings growth came almost entirely from from the Energy Services Group (ES), as the company's international operations showed signs of improvement, coupled with very strong domestic activity. While Halliburton's revenues were only up 5% sequentially, a shift towards the Energy Services Group gave margins a stronger boost than we had expected, leading to a 34% increase in operating profit. Despite the fact that results were in-line with our expectations, we are trimming our earnings estimates based on continued weakness in the Engineering & Construction (E&C) sector. We maintain our 1L investment rating but are reducing our price target to $58.

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Operations - Halliburton reported third quarter revenues from continuing operations of $3.02 billion, shy of our $3.25 billion estimate. A $157 million shortfall in the Engineering & Construction Group (E&C) combined with a $74 million variance in the Energy Services Group (ES). The consolidated operating margin of 5.6% bested our 5.2% forecast due to the greater proportion of ES revenue. Net interest expense was higher than our estimate as the company did not pay down debt as fast as we had anticipated, coupled with increasing interest rates on the short-term debt. Pre-tax income of $140 million was just shy of our $145 million estimate. The tax rate was 37.9%, yielding net income of $82 million, or $0.18 per share, excluding the Dresser Equipment Group (DEG), compared with $52 million, or $0.12 per share in the second quarter and our projection of $83.8 million, or $0.19 per share. Including DEG, Halliburton earned net income of $109 million, or $0.24 per share, compared with $75 million, or $0.17 per share in the second quarter (excluding gains) and our projection of $107 million, or $0.24 per share.

Segment Analysis

Energy Services Group- Revenues of $2.02 billion missed our $2.09 billion forecast by 3%, up 7% sequentially and 19% year-over-year. The strong gains were driven by the Halliburton Energy Services division (HES), with revenues up 9% sequentially and 31% year-over-year. Geographically, North American revenues were up 17% sequentially and 56% year over year, with the Middle East and Latin America trailing at 19% and 15%, respectively. International operations represented 64% of the quarterly revenue, versus 67% last quarter and 70% last year. We expect the international component of revenues to begin to increase as those markets improve. From a product line standpoint, the third quarter improvement was led by pressure pumping, which represented 45% of HES revenue with incremental margins in excess of 30%, completion products, and drilling systems also showed improvement. Pressure pumping revenues were up 40% year-over-year and 13% sequentially from both increased activity and improved pricing. Year-to-date, Halliburton has received pricing improvement in U.S. pressure pumping, completion products and drilling systems, with furbther increases likely during the fourth quarter from discount reduction. Energy Services' operating margin of 7.2% was slightly above our forecast of 7.1%.

Revenues at Brown & Root Energy Services (BRES) were down slightly year-over-year, and up sequentially, with gains in Europe/Africa and the Far East more than offset by declines in North and Latin America. However, operating income was up $9 million sequentially, yet down $11 million year-over-year excluding the $88 million gain on asset sales. We expect revenues and operating profits for BRES, to turn down once again in the fourth quarter to just above breakeven operating profit, then to slowly recover through 2001, with strong gains anticipated in the second half of the year.

Landmark Graphics, while a small component of ES, posted revenues of approximately $70 million and operating profit of roughly $5 million. Both revenues and operating profit fell shy of our forecasts due to a moderaring in the sector's sequential growth this quarter, despite revenues being up 10% year over year. The outlook for Landmark is for its revenues and operating income to track those of HES as both businesses have similar drivers.

Engineering & Construction Group- The E&C Group reported revenues of $1.00 billion versus our $1.16 billion forecast, representing a 14% shortfall versus our expectations, and a 21% year-over-year decline. Anticipated increases due to seasonal refinery turnarounds were offset by the completion of several projects. Despite the revenue shortfall, the E&C group's operating margin, at 4.1%, was slightly ahead of our projection of 3.4%.

Kellog Brown & Root revenues fell 8% sequentially asn strong refinery mainenance demand prior to the winter refining season was not enough to offset the impact of completed contracts during the quarter. Yet, the mix of business was favorable with operating income climbing 13% sequentially. Brown & Root Services (BRS) revenues fell 23% year-over-year, and dropped by 17% sequentially as higher volumes of work at the Davenport

dockyards yielded healthy margins, without the revenues to take the place of the Balkans construction. The mix from hih dollar low-margin work, to lower dollar higher-margin revenues is positive, although it is by no means a good proxy for this business. Accordingly, operating income rose 15% sequentially and 7% over last year. We expect revenues and margins to decline through the first quarter of 2001, with a potentially large boost from the Australian railway project mid to late next year.

During the conference call, management indicated their desire to merge BRES with its construction peers in E&C and rationalize the entire business. This confirms the message we heard from management several weeks ago during our company visit. We beleive that some portion of the comapny's E&C business will likely be divested, particularly construction activities at KBR such as the stadium, railroad and highway type projects that the division has been involved with, which clearly seem non core for Halliburton. Similarly, the government contracting activity that makes up most of BRS may not make sense as a part of the long term Halliburton strategic focus. In most of these cases the businesses are healthy and produce attractive returns but may be more valuable as part of a different strategic framework. See our note dated October 6, 2000 for additional information.

Dresser Equipment Group- Revenues for the DEG, accounted for as a discontinued operation, were $346 million, exceeding our $340 million forecast, and were down 2% sequentially with year over year comparisons meaningless due to the sale of Ingersoll Dresser Pump and Dresser Rand. Operating income of $42 million beat our estimate of $38 million, up 14% sequentially and up 27% year-over-year. We had expected revenues and operating income to remain relatively flat throughout the year while Halliburton proceeds with their planned sale, however efficiency gains associated with previously implemented programs yielded some fruit during the quarter. The difference yielded a positive EPS surprise from DEG of $0.01 per share on top of our $0.05 estimate. Management indicated that they have observed healthy interest from potential suitors and expect to receive a favorable price when the deal is consummated, either late this year, or early next.

Conclusion- Halliburton's upstream oilfield services operations had an excellent quarter. While revenue growth did not quite meet our forecast, margin growth made up most of the difference. Furthermore, BRES posted an unexpectedly high operating profit, which we do not expect to recur. We expect that increasing contributions from the upstream businesses of HES and Landmark Graphics to be a recurring theme throughout this year as heavily capital intensive oilfield construction work (BRES), has yet to pick up in a meaningful way. While the long-term earnings outlook for BRES is very encouraging, particularly from the Barracuda & Caritinga project offshore Brazil and the EA pjoject offshore Nigeria, we believe the short term outlook is just as weak, with little new work to offset projects nearing completion. We expect a strong contribution from BRES during 2001, particularly in the latter half, as well as continued growth from both HES and Landmark. The outlook for the Engineering & Construction group should be driven by increased demand for natural gas, chemical, and liquified natural gas projects, as global energy consumption continues to grow, as well as other large construction contracts such as the Australian railway. However, previously submitted tenders for several projects are aging, and will likely be rebid in the near future, further delaying meaningful order growth for this division. Due largely to the weak E&C outlook, we are cutting our EPS estimates accordingly. We maintain our 1L investment rating but are reducing our price target to $58 based on our revised earnings estimates.

INVESTMENT THESIS

In the short-intermediate term, favorable North American oilfield trends should be complemented by several discrete international projects such as the recently awarded Barracuda/Caratinga development in Brazil. However, continued weakness at BRES and an excess of Oilfield capacity generally in international markets will offset much of the early gains. We estimate well over a 100-rig increase will be necessary outside North America to

tighten capacity in selected markets and improve margins, which we do not anticipate until at least late 2000. Increases in West Africa and Brazil would be most favorable for Halliburton, in our view.

COMPANY DESCRIPTION

Halliburton provides a comprehensive scope of products and services in well construction, production infrastructure, engineering and construction, and energy-related capital equipment. The company is organized into three groups - the Energy Services Group (ES), the Engineering and Construction Group (E&C), and the Dresser Equipment Group. The ES Group provides discrete services and products and integrated solutions to customers in the exploration, development and production of oil and gas and has three segments: Halliburton Energy Services (HES), Brown and Root Energy Services (BRES), and Landmark Graphics (LMRK). The E&C group provides services to energy and industrial customers and government entities worldwide and consists of two segments: Kellogg, Brown and Root and Brown and Root Services. The Dresser Equipment Group, which designs, manufactures and markets highly engineered products and systems, will be divested, with the sale targeted for late 2000 to early 2001.

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EXHIBIT

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CIBC World Markets

Equity Research

December 22, 2000

Oilfield Service

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Halliburton Co.

4Q Outlook In Line With Prior Guidance; Restructuring Charge Announced

Investment Conclusion

- Halliburton preannounced 4Q00 EPS in line with the lower guidance provided in their 3Q analyst call. HAL also declared a restructuring of its Engineering and Construction (E&C) business. An after-tax charge of $120 million will be incurred in 4Q related to the restructuring and project specific matters. Excluding the charge, HAL expects 4Q EPS in the range of $0.25-$0.27. Our 4Q EPS estimate remains unchanged at $0.25, as does our 2001 estimate of $1.50. We reiterate our Buy rating and $50 price target.
- Despite the rise in oil and natural gas prices, HAL has experienced weak performance in its shallow-water marine construction and downstream E&C businesses. The customer base for E&C is consolidating and financially pressured competitors have intensified competition and pricing in the marketplace. As a result, HAL is restructuring its company into two operating segments: the Halliburton Energy Services Group and the Engineering and Construction Group. About $25 million of the $120 million restructuring charge will be associated with reorganization costs related to severance and facility closures.
- HAL's goal for the E&C business is to earn 3% margins in 2001 and 3%-5% in the longer term, provided business conditions improve as expected. We believe this is a reasonable goal, consistent with traditional profitability in the business, and the reorganization should allow HAL to concentrate on reducing overhead in the E&C segment.
- The struggling E&C division has been a drag on HAL's stock performance. Based on our 2001 EPS estimates, HAL currently trades at a 35% valuation discount to other major oil services companies. Although part of this discrepancy is warranted due to the weak performance of the E&C business, we believe HAL can narrow the valuation gap with a successful reorganization. Additionally, the strength of the recovery in the oilfield service industry should also enhance stock price appreciation.

Rating: BUY

HAL-NYSE (12/21/2000):	$37
52-week Range:	$55 3/16-32 1/4
Shares Outstanding:	442 Million
Float:	441 Million Shares
Market Capitalization:	$16.4 Billion
Dividend/Yield:	$0.50/1.4%
Fiscal Year Ends:	December
Book Value:	$10.13 per Share
2000E ROE:	10.4%
LT Debt:	$1 Billion
Preferred:	Nil
Common Equity:	$4.7 Billion

Earnings per Share	
1999	$0.63
2000E	$0.77
2001E	$1.50
P/E Ratio	
1999	58.7X
2000E	48.1X
2001E	24.7X

Cash Flow per Share	
1999	$1.98
2000E	$2.05
2001E	$2.79
P/CF Ratio	
1999	21.0X
2000E	20.3X
2001E	14.9X

Company Description:
Halliburton Co. is a diversified energy services, engineering and construction and maintenance company.

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The New E&C

The E&C business will be consolidated under the Engineering and Construction Group when HAL reorganizes the company into two operating divisions. Kellogg Brown & Root will include the upstream oil and gas engineering and construction, fabrication capabilities, and the traditional engineering and construction business. No brand names are to be changed as a result of the reorganization.

The restructuring should help the consistency and profitability of the division. HAL's goal for the E&C business is to earn a 3% margin in 2001 and 3%-5% in the longer term. Backlog in the division at the end of November 2000 was $6.5 billion. Management expects backlog to grow further by the end of 2001. During the course of the year, about 60%-65% of the current backlog should be worked off.

The New Energy Services

The Halliburton Energy Services Group will include Halliburton Energy Services, Landmark Graphics, and large integrated projects that include both surface and sub-surface components. Additionally, the following Brown & Root Energy Services business will join the new segment: Halliburton Subsea, Wellstream, Production Services, Granherne, Bredero-Shaw joint venture and the EMC joint venture.

We don't anticipate the reorganization will have any noticeable affect on the Energy Services business. Some cost savings may be achieved, but the main reason for the restructuring is to improve the E&C cost structure. We expect Energy Services to continue to post growing results in this excellent oil services business environment.

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Update on Dresser and Asbestos

HAL continues to actively pursue a buyer for its Dresser Equipment Group. Bids from prospective buyers are expected this week and HAL plans to be in negotiations with the high bidders by early January. Our current earnings estimates include the Dresser Equipment Group. This division generates about $0.05 EPS per quarter. Adjusted for the anticipated elimination of the Dresser Equipment earnings, our pro forma EPS estimate for 2001 is $1.28.

In the 3Q conference call, management stated that their new 10-Q filing would readdress the company's exposure to asbestos claims. Our evaluation of the update reveals only nominal changes to their financial exposure. The number of open claims has been in the 106,500-107,500 range since the end of 1999, but that number rose to 109,000 at the end of the third quarter. Highlands Insurance Co., an insurance carrier with which HAL associates $42 million in recoveries, issued a letter on August 23, 2000, denying coverage under the policies. This action by Highlands is not a surprise and legal wrangling is expected to continue for some time. As of September 30, 2000, HAL's net asbestos liability was $26 million compared to $24 million at the end of the second quarter. We believe HAL's asbestos liability is under control, especially in contrast to other companies. HAL has not elected to use any of their 3Q pre-tax gains to strengthen reserves, which we believe indicates management's confidence that the gravity of the issue has not intensified.

What's Going Wrong?

Although the E&C division was weak in the first half of 2000, we were surprised by management's earnings warning on the 3Q conference call. There were concerns that HAL might not have the critical mass to generate consistent and predictable profitability in the E&C business. Labor disturbances in Venezuela and West Africa caused significant costs to be incurred on several large fixed-fee E&C contracts. HAL has submitted claims on these costs to clients, but HAL does not believe that all the costs will be recovered. Additionally, relationships with some customers have deteriorated and the cost increase claims on seven other projects have not resolved as expected.

General industry-wide issues are also impacting the E&C business. Despite high oil and natural gas prices, spending for engineering and construction projects remains depressed. The difficult operating environment has forced some of Halliburton's E&C competition to cut prices and increase competitiveness.

As a result of the above issues, management guided 4Q EPS estimates down during their 3Q analyst call. In mid-October, our 4Q EPS estimate was $0.34, but that was lowered to $0.25 after the 3Q call. Management's current guidance of $0.25-$0.27 suggests that results are tracking as the company believed they would at the beginning of the quarter. We believe that any upside achieved in relation to our estimate is likely to be the result of outperformance in oil services as opposed to improvement in E&C.

What's Going Right?

HAL continues to experience very strong demand in its energy services business. There has been no change to our outlook regarding these markets, and we remain bullish on the sector. The North American oil service market continues to be the world's strongest market, although modest upticks have been experienced overseas. International markets will improve once the supermajor oil companies increase their upstream capital spending. We are expecting a solid increase in spending in 2001, after the majors maintained a surprisingly low level of activity in 2000. A survey by Energy Intelligence Group reveals that all of the supermajors are setting increases in their upstream capital budgets for 2001.

On average, the supermajors' budgets are estimated to increase 27%. If these spending increases come to fruition, HAL's oil service business should improve sharply. The company derives about 65% of its revenues from foreign markets.

Our quarterly EPS estimates are shown below.

		1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Year
1999	Actual	$0.18	$0.15	$0.13	$0.17	$0.63
2000E	Current	$0.11A	$0.17A	$0.24A	$0.25E	$0.77E
2001E	Current	—	—	—	—	$1.50E

Our quarterly cash flow per share estimates are shown below.

		1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Year
1999	Actual	$0.50	$0.48	$0.49	$0.51	$1.98
2000E	Current	$0.44A	$0.48A	$0.56A	$0.57E	$2.05E
2001E	Current	—	—	—	—	$2.79E

Exhibit 1. Halliburton Earnings Model (includes Dresser Equipment Group)

Halliburton Company
Symbol: HAL-NYSE
Fiscal Year End: December 31
(Amounts in MM)

	1999	2000					2001
	FY	Q1	Q2	Q3	Q4E	FYE	FYE
Revenues:							
Energy Services	6,999.0	1,723.0	1,897.0	2,021.0	2,300.0	7,941.0	9,529.2
Engineering & Construction Group	5,314.0	1,136.0	971.0	1,003.0	700.0	3,810.0	3,700.0
Dresser Energy Equipment	2,585.0	337.0	354.0	346.0	350.0	1,387.0	1,498.0
Total revenues	14,898.0	3,196.0	3,222.0	3,370.0	3,350.0	13,138.0	14,227.2
Operating Income:							
Energy Services	222.0	62.0	107.0	145.0	188.6	502.6	1,029.2
Engineering & Construction Group	203.0	36.0	36.0	41.0	12.6	125.6	80.0
Dresser Energy Equipment	249.0	36.0	37.0	42.0	36.8	151.8	164.8
Special Charges And Credits	47.0	0.0	0.0	0.0	0.0	0.0	0.0
General Corporate	(71.0)	(17.0)	(17.0)	(17.0)	(17.0)	(68.0)	(68.0)
Total Operating Income	650.0	117.0	163.0	211.0	221.0	712.0	1,205.9
Interest Expense	144.0	34.0	34.0	39.0	39.0	146.0	103.0
Interest Income	77.0	8.0	4.0	7.0	7.0	26.0	30.0
Foreign Currency Gain (Loss)	(8.0)	(4.0)	(2.0)	4.0	(1.0)	(3.0)	(5.0)
Other Nonoperating	(19.0)	0.0	0.0	(1.0)	2.0	1.0	8.0
Income Before Taxes	556.0	87.0	131.0	182.0	190.0	590.0	1,133.9
Provision For Taxes	214.0	34.0	51.0	68.0	74.1	227.1	442.2
Minority Interest	(43.0)	(4.0)	(5.0)	(5.0)	(5.0)	(19.0)	(15.0)
Net Income	299.0	49.0	75.0	109.0	110.9	343.9	676.7
Extraordinary gain (after tax)	159.0	215.0	0.0	48.0	0.0	263.0	0.0
EPS: Diluted							
Operating	$0.64	$0.11	$0.17	$0.24	$0.25	$0.77	$1.50
Net	$1.03	$0.59	$0.17	$0.35	$0.25	$1.35	$1.50
Diluted Shares	444.0	444.0	449.0	451.0	451.0	449.0	451.0
Depreciation And Amortization	595.0	145.0	140.0	145.0	145.0	575.0	580.0
Operating Cash Flow	894.0	194.0	215.0	254.0	253.9	918.9	1,256.7
CFPS: Diluted	$1.98	$0.44	$0.48	$0.56	$0.57	$2.05	$2.79
EBITDA	1,245.0	262.0	303.0	356.0	366.0	1,287.0	1,785.9
EBITDA Per Share	$1.40	$0.59	$0.67	$0.79	$0.81	$2.87	$3.96

Source: Company data and CIBC World Markets Corp. estimates

Exhibit 2. Halliburton Earnings Model (shows Dresser Equipment Group as Discontinued Operations)

Halliburton Company

Symbol: HAL-NYSE

Fiscal Year End: December 31

(Amounts in MM)	2000					2001
	Q1	Q2	Q3	Q4E	FYE	FYE
Revenues:						
Energy Services	1,723.0	1,897.0	2,021.0	2,300.0	7,941.0	9,529.2
Engineering & Construction Group	1,136.0	971.0	1,003.0	700.0	3,810.0	3,200.0
Total revenues	2,859.0	2,868.0	3,024.0	3,000.0	11,751.0	12,729.2
Operating Income:						
Energy Services	62.0	107.0	145.0	188.6	502.6	1,029.2
Engineering & Construction Group	36.0	36.0	41.0	12.6	125.6	80.0
Special Charges And Credits	0.0	0.0	0.0	0.0	0.0	0.0
General Corporate	(17.0)	(17.0)	(17.0)	(17.0)	(68.0)	(68.0)
Total Operating Income	81.0	126.0	169.0	184.2	560.2	1,041.2
Interest Expense	33.0	33.0	38.0	39.0	143.0	105.0
Interest Income	7.0	3.0	6.0	7.0	23.0	30.0
Foreign Currency Gain (Loss)	(4.0)	(3.0)	4.0	(1.0)	(4.0)	(5.0)
Other Nonoperating	0.0	0.0	(1.0)	2.0	1.0	8.0
Income Before Taxes	51.0	93.0	140.0	153.2	437.2	969.2
Provision For Taxes	20.0	36.0	53.9	59.7	169.6	378.0
Minority Interest	(4.0)	(5.0)	(5.0)	(5.0)	(19.0)	(15.0)
Net Income	27.0	52.0	81.1	88.5	248.6	576.2
Income from Discontinued ops	22.0	23.0	27.0	23.7	95.7	100.5
Extraordinary gain (after tax)	215.0	0.0	48.0	0.0	263.0	0.0
EPS: Diluted						
Operating EPS from Continuing Ops	$0.06	$0.12	$0.18	$0.20	$0.56	$1.28
EPS from Discontinued Ops	$0.05	$0.05	$0.06	$0.05	$0.21	$0.22
EPS from Extraordinary Items	$0.48	$0.00	$0.11	$0.00	$0.59	$0.00
Net reported EPS	$0.59	$0.17	$0.35	$0.35	$1.35	$1.50
Basic shares outstanding	442	444	441	441	442	441
Diluted Shares	444	449	451	451	449	451
Depreciation And Amortization	122.0	140.0	145.0	145.0	552.0	580.0
Operating Cash Flow	149.0	192.0	226.1	233.5	800.6	1,156.2
CFPS: Diluted	$0.34	$0.43	$0.50	$0.52	$1.78	$2.56
EBITDA	203.0	266.0	314.0	329.2	1,112.2	1,621.2
EBITDA Per Share	$0.46	$0.59	$0.70	$0.73	$2.48	$3.59

Source: Company data and CIBC World Markets Corp. estimates

Attachment A

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Education

YALE UNIVERSITY
M.Phil., Economics, 1990
M.A. Economics, 1989
M.B.A., 1986

STANFORD UNIVERSITY
A.B., Human Biology, 1981

Professional Experience

1994-Present **National Economic Research Associates, Inc.**
Senior Vice President. Responsible for economic analysis in the areas of securities, finance and environmental and tort economics.
Vice President.
Senior Consultant.

1992-1993 **Council of Economic Advisers, Executive Office of the President**
Staff Economist. Provided economic analysis on regulatory and health care issues to Council Members and interagency groups. Shared responsibility for regulation and health care chapters of the *Economic Report of the President, 1993*. Working Group member of the President's National Health Care Reform Task Force.

1986-1988 **Ayers, Whitmore & Company (General Management Consultants)**
1983-1984 Senior Associate. Formulated marketing, organization, and overall business strategies including:
Plan to improve profitability of chemical process equipment manufacturer.
Merger analysis and integration plan of two equipment manufacturers.

Evaluation of Korean competition to a U.S. manufacturer.
Diagnostic survey for auto parts manufacturer on growth obstacles.
Marketing plan to increase international market share for major accounting firm.

Summer 1985 — **WNET/Channel Thirteen, Strategic Planning Department**
Associate. Assisted in development of company's first long-term strategic plan. Analyzed relationship between programming and viewer support.

1981-1983 — **Arthur Andersen & Company**
Consultant. Designed, programmed and installed management information systems. Participated in redesign/conversion of New York State's accounting system. Developed municipal bond fund management system, successfully marketed to brokers. Participated in President's Private Sector Survey on Cost Control (Grace Commission). Designed customized tracking and accounting system for shipping company.

Teaching

1989- 1992 — **Teaching Fellow, Yale University**
Honors Econometrics
Intermediate Microeconomics
Competitive Strategies
Probability and Game Theory
Marketing Strategy
Economic Analysis

Publications, Speeches and Conference Papers

"Damages and Loss Causation in Shareholder Class Actions after *Dura*" presented at *Securities Litigation: Emerging Trends in Enforcement and Winning Litigation Strategies* hosted by the International Quality & Productivity Center, New York, New York, 2006.

"Damages per Share in Shareholder Class Actions after *Dura*," presented at the 9th Annual Finance, Law and Economics Securities Litigation Seminar, sponsored by National Economic Research Associates, Deer Valley, Utah, 2006.

"Forecasting Product Liability by Understanding the Driving Forces," (co-author), *The International Comparative Legal Guide to Product Liability*, 2006.

"*Loss Causation*," presented at the 7th Annual Finance, Law and Economics Securities Litigation Seminar, sponsored by National Economic Research Associates, Beaver Creek, Colorado, 2004.

"Recent Trends in Securities Class Action Litigation," presented at The Class Action Litigation Summit program, *Class Action in the Securities Industry*, Washington, D.C., 2003.

"Product Liability Claims Estimation – Four Steps, Four Myths" presented at Standard & Poor's Seminar, New York, New York, 2001.

"How Bad Can It Be? The Economics of Damages and Settlements in Shareholder Class Actions," *Balancing Disclosure and Litigation Risks for Public Companies (Or Soon-To-Be Public Companies)* seminar sponsored by Alston & Bird LLP and RR Donnelley Financial, Nashville, Tennessee, 2000.

"Securities Litigation Reform: Problems and Progress," *Viewpoint*, November 1999, Issue No. 2 (co-authored).

"Trends in Securities Litigation and the Impact of the PSLRA," *Class Actions & Derivative Suits*, American Bar Association Litigation Section, Vol. 9, No. 3, Summer 1999 (co-authored).

"Random Taxes, Random Claims," *Regulation*, Winter 1997, pp. 6-7 (co-authored).

"Adverse Selection in the Market for Used Construction Equipment," presented at the NBER Conference on Research in Income and Wealth, Federal Reserve Board, June 1992.

Expert Reports, Depositions & Testimony (4 years)

Declaration before the United States District Court for the Northern District of California, San Francisco Division in *Prena Smajlaj et al. v.B rocade Communications Systems, Inc. et al.*, 2007.

Third Expert Witness Statement before the High Court of Justice Chancery Division – Companies Court, *In the Matters of Sovereign Marine & General Insurance Company Limited, et al.(the Scheme Companies) and In the Matter ofT he Companies Act 1985*, 2007.

Declaration before the United States District Court for the Northern District of Georgia Atlanta Division, *In re Mirant Corporation Securities Litigation*, 2007.

Deposition Testimony and Expert Report before the United States District Court for the Northern District of Texas in *Jerry Ryan, on Behalf ofH imselfan d All Others Similarly Situated vs. Flowserve Corporation, et al.*, 2007.

Expert Report and Opposition Report before the United States District Court for the Southern District of New York, *In re WRT Energy Securities Litigation*, 2006.

Deposition Testimony before the Supreme Court of the State of New York for the County of New York in *Pharma Consult Inc., et al., v. Nutrition Technologies L.L.C.,e t al.*, 2006.

Declaration before the United States District Court for the Middle District of Tennessee Nashville Division in *Jeffrey H, Winokur, et al.v .D irect General Corporation, et al.*, 2006.

Second Expert Witness Statement and Expert Witness Statement before the High Court of Justice Chancery Division – Companies Court, *In the Matters of Sovereign Marine & General Insurance Company Limited, et al.(the Scheme Companies) and In the Matter of The Companies Act 1985*, 2006.

Expert Report before the United States District Court for the District of Delaware in *Stuart Tinney v.G eneseo Communications, Inc.,e t al.*, 2006.

Declaration before the Superior Court of the State of California for the County of San Diego in *Richard P. Allocco, et al.v .S tephen P. Gardner, et al.*, 2006.

Declaration before the Superior Court of the State of California for the County of San Diego in *Peregrine Litigation Trust v.K PMG LLP, et al.*, 2006.

Testimony, Deposition Testimony and Expert Report before the American Arbitration Association, 2005.

Expert Report before the United States District Court for the Eastern District of New York in *City ofN ew York v. Beretta U.S.A. Corp.,e t al.*, 2005.

Expert Report and Deposition Testimony before the United States District Court for the Eastern District of New York in *Jaquione Johnson against Bryco Arms, et al.* and *Joan Truman Smith against Bryco Arms, et al.*, 2005.

Affidavit before the United States District Court for the Middle District of Florida in *Jack Hirsch, et al. v. PSS World Medical, Inc., et al.*, 2005.

Declaration and Deposition Testimony before the United States District Court for the Northern District of Georgia, *In re BellSouth Corporation ERISA Litigation*, 2005.

Expert Report and Deposition Testimony before the United States District Court for the Southern District of New York in *re Globalstar Securities Litigation*, 2005.

Expert Report before the United States District Court for the Middle District of Florida in *Jack Hirsch et al. v. PSS World Medical, Inc., et al.*, 2005.

Expert Report and Deposition Testimony before the United States District Court for the District of Massachusetts, *In re CVS Corporation Securities Litigation*, 2004.

Testimony and Deposition Testimony before the American Arbitration Association on lost profits as a result of an alleged breach of a hotel management contract, 2004.

Testimony before the Judicial Arbitration Mediation Service in the matter of the *Arbitration Between General Physics Corp. and Electronic Data Systems Corporation*, 2004.

Expert Report and Deposition Testimony before the United States District Court for the District of Massachusetts, *In re Raytheon Company Securities Litigation*, 2004.

Supplemental Report before the United States District Court for the Southern District of New York, *In re WorldCom, Inc., Securities Litigation*, 2003.

Deposition Testimony before the District Court of Nueces County, Texas, 105th Judicial District in *Asarco Incorporated, et al. v. American Home Assurance Company, et al.*, 2003.

Affidavit before the United States District Court for the Eastern District of New York in *NAACP v. American Arms, Inc., et al.*, 2003.

Testimony before the New York City Council Public Safety Committee on economic issues relating to the flow of handguns into the criminal market, 2003.

Expert Report before the United States District Court for the Southern District of New York, *In re WorldCom, Inc., Securities Litigation*, 2003.

Testimony before the United States District Court for the Eastern District of New York in *NAACP v. American Arms, Inc., et al.*, 2003.

Expert Report before the United States Bankruptcy Court for the Northern District of New York in *Lawrence Group, Inc. v. Peter Barton et al.*, 2003.

Deposition Testimony before the United States District Court for the Eastern District of New York in *NAACP v. American Arms, Inc., et al.*, 2003.

Expert Report before the United States District Court for the Eastern District of New York in *NAACP v. American Arms, Inc., et al.*, 2003.

Deposition Testimony before the United States District Court for the Southern District of New York in *RMED International, Inc. v. Sloan's Supermarket, Inc. and John A. Catsimatidis*, 2003.

October 2007

[redacted]: REDUCING ESTIMATES; MAINTAINING BUY RATINGS
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Carol Y.Lau
1/5/2000 2:02:41 PM

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BROWN BROTHERS HARRIMAN & CO.

HALLIBURTON COMPANY (L-T BUY/S-T BUY)

CAROL Y. LAU (212) 493-8259

HAL: REDUCING ESTIMATES; MAINTAINING BUY RATINGS

		EPS ANNUAL			P/E		Dividend			
	Price 1/4	12/98	12/99E	12/00E	12/99	12/00	Rate	Yld.	3-Yr. Grwth	52-Wk Range
HAL	$38 1/2	$1.66	$0.64*	$0.90*	NM	42.8	$0.50	1.3%	NM	$52-27

HAL	2000E	Q1 $0.16E*	Q2 $0.19E*	Q3 $0.24E*	Q4 $0.31E*
	1999E	Q1 $0.18A	Q2 $0.19A	Q3 $0.13A	Q4 $0.16E*
	1998A	Q1 $0.46A	Q2 $0.55A	Q3 $0.44A	Q4 $0.20A

* represents change in estimates

Following a conversation with the company this morning, we are reducing our fourth quarter 1999 and 2000 EPS estimates.

For the fourth quarter, we are trimming our estimate by $0.02 to $0.14 from $0.16 to reflect lower oilfield services profits. Specifically, we have reduced our operating profit estimate in the Energy Services segment by $8 million to $72 million (compared with $56 million in the third quarter and $212 million in the year-ago period). While the company provided little earnings guidance, it did suggest that any variance to consensus estimates for the quarter likely would not be more than a couple of pennies. That said, the company is more comfortable being on the conservative side, although it noted that it has not yet seen figures for December. Our fourth-quarter 1999 EPS estimate is modestly below the $0.16 consensus mean.

For 2000, we are reducing our EPS projection to $0.90 from $1.10 as we are now electing to use more conservative forecasts to reflect the lower base point in the fourth quarter for Energy Serviecs and lower profit expecations in Engineering & Constructiom. Specifically, we are reducing operating profit estimates meaningfully for the Energy Services segment ($95 million, or $0.13 per share) and Engineering & Construction ($40 million, or $0.06 per share); we are trimming our Dresser Equipment estimate by $4 million or $0.01 per share. In the Energy Services segment, we are reducing our revenue estimate to $7.55 billion from $7.75 billion (compared with $6.9 billion estimated for 1999) and our operating profit estimate to $495 million from $590 million (compared with $234 million estimated for 1999). In the Engineering & Construction segment, we are reducing our revenue estimate to $5,475 million from $5,525 million (compared with $5,453 million estimated for 1999), and operating profit estimates to $180 million from $220 million (compared with $203 million estimated for 1999). In the Dresser Equipment segment, we are maintaining our revenue estimate at $1.45 billion but trimming our operating profit estimate to $132 million from $136 million. Our 2000 EPS estimate is 19% below the current consensus mean of $1.11 per share, but in line with recent estimate reductions to the $0.85 to $1.00 range.

For 2001, we are maintaining EPS forecast at $1.75, which essentially [redacted]es the $1.74 consensus average.

Despite the estimate reductions, we remain positive on the industry

APP 060

[illegible]overy under way and Halliburton's earnings prospects through 2001. Consequently, we are reiterating our Buy/Buy ratings on the shares.

[HI Company Description:]Halliburton Company is a major provider of products and services to the petroleum and energy industris. In 1998, Halliburton's core Energy Services Group accounted for 52% of the company's total revenue and 67% of operating income (before special charges). Its other core group-Engineering and Construction-represented 32% of total revenue and 16% of operating income. The Dresser Equipment Group, which was acquired with Dresser Industries, comprised 16% of revenue and 17% of operating income. In 1998, 85% of the company's revenues were derived from the energy industry versus 84% in 1997 and 81% in 1996.

Additional Information Available Upon Request

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11/05/99	01/31/01	02/28/01	07/25/01	08/09/01	08/22/01	09/04/01	10/05/01	10/22/01	10/30/01	11/08/01	12/03/01
Halliburton states that reserves "are adequate to cover the estimated loss from asbestosis litigation."	Analyst reports that Halliburton's "prospective asbestos liabilities" had not changed materially and "should have minimal adverse impact on the company going forward."		Halliburton believes it would be "prudent to accrue $60 million" to cover "potential exposure" for asbestos litigation. Analyst reports that company believes that it has its asbestos situation "under control" and "financial impact should not be material to financial health of company." Analyst also reports Lesar indicated Halliburton maintains significant amount of insurance that should cover majority of any future claims or increases in the settlement rate.		Analyst reports, based on information from Halliburton, that asbestos exposure concerns appear to be overblown.	Lesar states that Halliburton has a "substantial amount of coverage," and asbestos claims are a "manageable problem."	Halliburton presents at a seminar to clarify Halliburton's asbestos liabilities, but makes no mention of $130 million verdict.	Forbes states that there is not "anything new to report on the Hampton-Walker...," and Lesar confirms "that there have been no adverse developments at all." They do not mention $130 million verdict.		Halliburton states that asbestos claims will be resolved without material adverse effect on its financial position or the results of operations.
		-4.60%*		5.20%*					-3.70%*		-42.10%*
		Halliburton says that its "worse case scenario" is $60 million to double the asbestos exposure for which it had previously reserved.		Halliburton doubles asbestos reserves to $124 million.					Halliburton announces second Texas jury verdict of $130 million (Halliburton faces for $21.3 million).		Halliburton files Form 8-K (Note 5 mentions recent Texas verdicts); Halliburton details recent asbestos verdicts, and makes clear that $123 million reserves are grossly inadequate and asbestos exposure is substantially greater than prior representations

*Company-specific decline.

*Company-specific decline.

RE155

[redacted]

07/27/99	08/13/99	01/05/00	03/14/00	03/26/00	10/24/00	12/21/00
[redacted]			[redacted]		[redacted]	
Halliburton states that its "aggressive cost reduction program and restructuring activities" allowed Halliburton "to remain profitable during this most difficult period," and Halliburton's "sequential quarterly results should continue to improve with significant improvement in 2000."	Halliburton states that its condensed consolidated financial statements "fairly" present Halliburton's financial condition.		Halliburton's 1999 Annual Report states: "All known or anticipated losses on contracts are provided for currently. Claims and change orders which are in the process of being negotiated with customers for extra work or changes in the scope of work are included in revenue when collection is deemed probable."	Halliburton releases 1Q 00 results that are falsely inflated by improper accounting practices. Cheney reports on Halliburton's profits on claiming projects in construction operations.		
[redacted]		[redacted]			[redacted]	[redacted]
		Analysts cut estimates of Halliburton's annual earnings for 2000 and 2001, based on "less powerful synergies from the Dresser merger" than expected and "reduced expectations for offshore construction results."			Halliburton announces massive restructuring of construction business due to operational problems, management inefficiencies and excessive costs in its construction operations.	Halliburton unveils its restructuring plan/ announces a 4Q 00 charge of $120 million, with $95 million due to cost overruns on fixed price contracts.

Company-specific decline.

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ATTACHMENT A

America's Largest Corporations

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FORTUNE THOUSAND

Ranked within industries

[WELCOME TO THE FORTUNE 1,000]

Our list of the nation's 1,000 largest companies broadens the picture. Here you can compare FORTUNE 500 star Nike with footwear foe Reebok, which slid off the 500 after an 11-year run. Nike stomped its smaller competitor in total profits, EPS growth, and total return. This time, bigger *is* better.

Industry & RANK	1,000 RANK	REVENUES $ mil.	REVENUES % change from 1998	PROFITS $ mil.	PROFITS % change from 1998	PROFITS AS % OF ... REVENUES %	Rank	ASSETS %	Rank	STOCKHOLDERS' EQUITY %	Rank	EARNINGS/ SHARE 1995–99 annual growth %	Rank	TOTAL RETURN TO INVESTORS 5-year %	Rank	1-year %	Rank	EMPLOYEES No.	Rank	% change from 1998
1 ADVERTISING, MARKETING																				
OMNICOM GROUP	319	6,181	25	342	1	27	1	7	2	4	2	23	2	30	1	44	1	43,000	1	23
INTERPUBLIC GROUP	351	4,562	15	222	2	4	5	7	3	4	5	20	3	12	2	29	4	33,000	2	14
YOUNG & RUBICAM	778	1,717	33	217	3	—		10	1	7	1	21	1	—		111	1	25,000	3	25
TRUE NORTH COMMUN.	883	1,433	18	88	4	17	2	8	4	7	4	13	4	(2)	3	36	2	12,200	4	7
TOTAL		12,943		871														113,200		
MEDIAN		3,130	15	245		7		7		6		22		11		29		31,000		14
2 AEROSPACE																				
BOEING	10	57,993	3	2,309	1	4	8	4	8	8	6	29	4	0	8	14	6	59	3	137,000	1	(3)
LOCKHEED MARTIN	57	25,530	(3)	302	9	1	12	1	12	1	12	0	10	18	3	9	9	(47)	10	147,000	3	(11)
UNITED TECHNOLOGIES	57	25,282	(2)	1,031	4	4	6	4	6	4	7	21	3	8	6	23	3	23	5	146,000	2	(17)
HONEYWELL INT.	65	23,706	87	1,041	3	4	8	4	5	3	5	10	6	8	7	14	7	83	7	120,000	4	78
RAYTHEON	82	18,041	2	484	7	(3)	10	2	10	1	10	4	11	(5)	9	7	10	(40)	12	105,000	5	(3)
TEXTRON	154	11,570	9	2,229	2	20	1	19	1	14	1	58	1	20	2	23	5	6	8	63,000	6	8
NORTHROP GRUMMAN	190	8,908	1	187	6	2	13	1	7	1	8	14	8	—		35	13	(24)	9	44,000	7	(14)
GENERAL DYNAMICS	194	8,869	86	860	5	10	2	10	2	11	2	30	2	20	5	30	2	(5)	11	43,000	8	48
B.F. GOODRICH	380	5,536	40	170	9	3	9	1	9	1	9	13	9	(1)	10	7	11	(31)	13	37,044	9	47
COMBAT TECHNOLOGIES	568	2,513	41	104	10	4	10	2	9	2	10	5	10	25	1	30	1	(11)	14	27,200	10	(3)
SEQUA	705	1,790	80	22	12	1	12	1	12	1	11	3	12	(9)	11	23	12	(34)	16	11,000	12	7
PRECISION CASTPARTS	864	1,472	12	183	11	12	7	7	3	7	5	15	7	14	4	9	13	(46)	16	12,225	11	10
TOTAL		183,807		10,100														642,519		
MEDIAN		10,207	2	430		21		8		6		17		8		18		(19)		50,000		3

FORTUNE 1 THOUSAND Ranked within industries

Industry no. RANK	1 000 overall rank	REVENUES $ mil.	% change from 1998	PROFITS $ mil.	Rank	% change from 1998	Rank	PROFITS AS % OF... REVENUES %	Rank	ASSETS %	Rank	STOCKHOLDERS' EQUITY %	Rank	EARNINGS/ SHARE 1995–99 annual growth %	Rank	TOTAL RETURN TO INVESTORS 1995–99 annual rate %	Rank	1999 %	Rank	EMPLOYEES No.	Rank	% change from 1998
WILLIAM HUTCHISON/HOLDGT	310	1,740	32	89	24	914	1	5	15	4	24	8	24	18	9	22	8	173	4	21,000	13	(3)
APPLIED POWER	314	1,751	42	79	25	188	2	5	15	5	20	10	9	13	7	11	14	(2)	20	11,250	20	19
ROLEX	322	1,717	9	178	11	(2)	15	10	3	9	9	12	13	12	4	14	6	48	11	14,700	6	13
PHELPS	854	1,530	—	123	16	—		8	9	10	3	22	4	—		—		38	14	7,700	25	1
BARNAN INTL. INDUSTRIES	956	1,389	(1)	12	29	(17)	23	1	29	1	28	3	28	(9)	22	12	17	48	12	8,850	24	(12)
HEWELL	973	1,452	7	148	13	(14)	19	10	6	10	4	17	2	3	13	7	21	(20)	25	10,130	21	(4)
CONEXANT SYSTEMS	878	1,444	—	13	28	—		1	28	1	29	1	29	—		—		633	2	7,290	28	—
DU GROUP	927	1,340	45	84	26	—		6	20	8	18	11	20	—		—		389	3	7,800	25	9
ABITE POWER CONVERSION	929	1,337	10	286	9	48	9	13	1	10	1	23	3	10	1	54	2	9	18	9,250	3	(3)
DIEBOLD	965	1,250	8	129	15	69	6	10	3	10	6	15	14	13	3	18	10	(33)	30	8,835	22	13
SCIENTIFIC-ATLANTA	971	1,743	5	102	20	17	31	5	7	10	8	14	16	10	5	22	7	145	5	8,561	30	13
SANMINA	982	1,215	63	94	22	97	20	8	10	8	12	15	15	—		—		80	9	7,229	27	89
TOTAL		142,005		8,543																590,629		
MEDIAN		1,384	10	125		17		5		6		14		8		14		21		14,700		6

17 ENERGY

MIDWATER ENERGY RESOS.	367	4,589	84	387	1	72	3	4	3	2	4	17	2	23	1	13	2	(3)	1	8,790	1	110
NORTHWESTERN	502	3,004	153	38	4	40	1	1	4	2	3	13	4	5	2	14	1	(17)	3	6,000	2	23
OSCO	842	1,533	8	142	2	4	4	10	1	8	1	19	3	—		—		(46)	4	3,869	42,344	
DCO	905	1,304	(4)	98	3	38	2	4	2	3	2	12	1	1	3	7	3	(1)	2	6,719	3	6
TOTAL		10,510		413																30,300		
MEDIAN		2,793	30	104		39		4.7	4	4	4	15		6		11		(10)		7,350		11

13 ENGINEERING, CONSTRUCTION

RAYTHEON	115	14,350	(14)	438		—		3	17	4	19	10	22	6	7	9	10	18	2	103,000		(4)
FLUOR	144	12,417	(8)	134	10	(54)	22	1	25	2	25	7	24	0	10	3	14	19	3	53,551	2	(5)
CENTEX	318	5,166	10	232	2	93	5	4	9	8	14	18	7	19	3	13	5	(45)	27	13,161	9	29
PETER KIEWIT SONS'	356	4,813	18	105	5	71	13	4	10	10	3	19	5	—		—		—		19,300	4	25
FOSTER WHEELER	407	3,844	(14)	(144)	32	—		(4)	27	(4)	27	(28)	27	—		(5)	16	(29)	17	16,270	12	(9)
GAMESA & DIBRAS HOME	423	3,650	37	103	8	15	10	6	13	6	12	22	3	3	8	8	11	(23)	5	3,500	19	8
PULTE	432	3,730	10	174	3	34	4	5	8	7	8	14	13	15	5	14	7	(10)	9	4,304	17	6
D.R. HORTON	491	3,110	45	100	6	71	5	3	7	7	9	20	6	—		—		(30)	20	7,353	21	26
LENNAR	492	3,119	29	173	4	20	17	5	5	8	5	20	6	11	6	21	3	(20)	9	4,953	16	19
EMCOR GROUP	510	2,894	11	29	24	126	2	1	24	3	22	16	12	—		—		13	7	29,000	3	25
MCDERMOTT INTERNATIONAL	519	2,870	17	63	16	30	15	1	20	5	13	15	17	13	4	17	6	(29)	23	10,850	5	42
CENTURY ENTERPRISES	537	2,689	10	90	13	(97)	27	3	22	6	18	11	21	—		30	1	(80)	25	25,000	8	7
MORRISON KNUDSEN	615	2,340	13	48	19	29	12	2	23	4	20	12	20	—		—		(29)	13	23,500	3	(31)
RYLAND GROUP	684	2,009	14	97	15	84	6	5	14	6	15	17	9	8	11	8	13	(28)	30	1,054	24	4
NVR	685	2,007	19	100	9	82	3	5	6	14	1	14	1	—		—		0	4	1,450	27	13
U.S. HOME	741	1,824	22	72	13	19	18	4	12	5	16	13	19	—		—		(23)	15	2,404	22	25
OAKWOOD HOMES	822	1,560	7	(91)	26	(107)	23	(2)	16	(2)	26	(8)	25	—		7	12	(70)	26	11,313	15	(17)
MDC HOLDINGS	828	1,560	14	89	12	147	1	6	5	10	4	23	2	—		29	2	(20)	18	1,300	25	18
TOLL BROTHERS	860	1,484	21	103	11	30	16	7	2	6	11	18	10	20	2	19	2	(17)	7	2,290	23	20
NVR	886	1,410	16	32	23	61	2	2	13	3	23	10	15	—		14	5	(7)	5	15,700	7	139
DEARBORN HOMES USA	898	1,394	43	27	22	54	9	2	18	4	10	14	18	—		—		(23)	14	1,400	26	10
COMPANY NATIONAL USA	911	1,370	18	42	20	23	14	3	15	4	17	10	23	—		—		(50)	24	10,953	15	22
CLAYTON HOMES	921	1,344	19	155	7	13	20	12	1	11	2	10	11	20	1	19	4	(33)	10	7,292	13	9
GRANITE CONSTRUCTION	931	1,329	8	53	17	14	19	4	11	3	7	16	14	—		—		(40)	21	4,900	18	6
IT GROUP	936	1,314	—	30	21	—		2	16	3	21	14	13	—		—		(19)	8	7,000	14	—
STONE & WEBSTER	943	1,215	(3)	30	25	—		2	23	2	24	6	25	1	9	(6)	17	(49)	25	8,300	15	(9)
SHAWMUT PACIFIC	949	1,190	64	80	14	48	11	3	4	3	6	10	8	(5)	12	1	15	(21)	13	677	27	8
TOTAL		80,700		2,903																333,330		
MEDIAN		2,000	23	90		29		3		5		13		8		13		(11)		7,300		14

CONTINUED

EXHIBIT 2

10kWIZARD

Form 10-K

HALLIBURTON CO - HAL

Filed: March 27, 2001 (period: December 31, 2000)

Annual report which provides a comprehensive overview of the company for the past year

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2000

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange
Baroid Corporation 8% Guaranteed Senior Notes due 2003	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No_____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Common Stock held by nonaffiliates on February 28, 2001, determined using the per share closing price on the New York Stock Exchange Composite tape of $39.82 on that date was approximately $17,029,000,000.

As of February 28, 2001, there were 428,468,110 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

Portions of the Halliburton Company Proxy Statement dated March 20, 2001, are incorporated by reference into Part III of this report.

Cash flows used in investing activities were $411 million for 2000, $107 million for 1999 and $790 million for 1998. Capital expenditures of $578 million in 2000 were about 11% higher than in 1999 and about 31% lower than in 1998. Capital spending was mostly for equipment for Halliburton Energy Services, which included investing in cementing equipment designed to integrate our pumping and mixing systems with new safety and technological features. Cash flows from investing activities in 1999 include $254 million collected on the receivables from the sale of our 36% interest in M-I L.L.C. Imputed interest on this receivable of $11 million is included in operating cash flows. In 1998, net cash used for investing activities includes various acquisitions of businesses of approximately $40 million.

Cash flows from financing activities used $584 million in 2000 and provided $189 million in 1999 and $267 million in 1998. We repaid $308 million on our long-term debt in 2000. Net short-term borrowings consisting of commercial paper and bank loans provided $629 million in 2000. Proceeds from exercises of stock options provided cash flows of $105 million in 2000 compared to $49 million in 1999 and 1998. Dividends to shareholders used $221 million of cash in 2000 and 1999. In April 2000 our Board of Directors approved a plan to implement a share repurchase program. As of December 31, 2000 we had repurchased over 20 million shares at a cost of $759 million. In addition, we repurchased $10 million of common stock both in 2000 and 1999 and $20 million in 1998 from employees to settle their income tax liabilities primarily for restricted stock lapses. We may periodically repurchase our common stock as we deem appropriate.

Cash flows from discontinued operations provided $816 million in 2000 as compared to $238 million and $235 million in 1999 and 1998, respectively. Cash flows for 2000 include proceeds from the sale of Dresser-Rand and Ingersoll-Dresser Pump of approximately $913 million.

Capital resources from internally generated funds and access to capital markets are sufficient to fund our working capital requirements, share repurchases and investing activities. Our combined short-term notes payable and long-term debt was 40%, 35% and 32% of total capitalization at the end of 2000, 1999 and 1998, respectively. In 2000, we reduced our short-term debt with proceeds from the sales of Ingersoll-Dresser Pump and Dresser-Rand joint ventures early in the year and increased short-term debt in the fourth quarter to fund share repurchases. We plan to use proceeds from the Dresser Equipment Group sale to pay down debt recently incurred for the repurchase of our shares. This should return the debt-to-capitalization ratio to the 30% to 35% range by the end of the second quarter of 2001.

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to financial instrument market risk from changes in foreign currency exchange rates, interest rates and to a limited extent, commodity prices. We selectively hedge these exposures through the use of derivative instruments to mitigate our market risk from these exposures. The objective of our hedging is to protect our cash flows related to sales or purchases of goods or services from fluctuations in currency rates. Our use of derivative instruments includes the following types of market risk:

- volatility of the currency rates;
- time horizon of the derivative instruments;
- market cycles; and
- the type of derivative instruments used.

We do not use derivative instruments for trading purposes. We do not consider any of our hedging activities to be material. See Note 1 for additional information on our accounting policies on derivative instruments. See Note 17 for additional disclosures related to derivative instruments.

RESTRUCTURING ACTIVITIES

While oil and gas prices have continued to maintain the strength that provides positive uplift to our oilfield services and integrated exploration and production information systems businesses, our engineering and construction businesses continue to experience delays in customer commitments for new upstream and downstream projects. With the exception of deepwater projects, short-term prospects for increased engineering and construction activities in either the upstream or downstream businesses are not positive. The continued delays of upstream and downstream projects, and the resulting decrease in our backlog and levels of work, will make it difficult to achieve acceptable margins in 2001 in our engineering and construction businesses. Accordingly, in the fourth quarter of 2000 we approved a plan to re-combine all of our engineering and construction businesses into one business unit. As a result of the

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reorganization of the engineering and construction businesses, we took actions to rationalize our operating structure including write-offs of equipment, engineering reference designs and capitalized software of $20 million and recorded severance costs of $16 million.

During the third and fourth quarters of 1998, we incurred special charges totaling $500 million related to the Dresser merger and industry downturn, of which $21 million has been recorded in discontinued operations. During the second quarter of 1999, we reversed $47 million of our 1998 special charges based on our reassessment of total costs to be incurred to complete the actions covered in the charges.

We have in process a program to exit approximately 500 properties, including service, administrative and manufacturing facilities. We accrued expenses to exit approximately 400 of these properties in the 1998 special charges. Most of these properties are within the Energy Services Group. Through December 31, 2000 we have vacated 97% of the approximate 500 total facilities. We have sold or returned to the owner 94% of the vacated properties.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental legal and regulatory requirements related to our operations worldwide. As a result of these obligations, we are involved in specific environmental litigation and claims, the clean up of properties we own or have operated, and efforts to meet or correct compliance-related matters. See Note 9.

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this annual report are forward-looking. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risks and uncertainties. Forward-looking information we provide reflects our best judgement based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of operations may vary materially.

While it is not possible to identify all factors, we continue to face many risks and uncertainties that could cause actual results to differ from our forward-looking statements including:

Geopolitical and legal.

- trade restrictions and economic embargoes imposed by the United States and other countries;
- unsettled political conditions, war, civil unrest, currency controls and governmental actions in the numerous countries in which we operate;
- operations in countries with significant amounts of political risk, including, for example, Algeria, Angola, Libya, Nigeria, and Russia;
- changes in foreign exchange rates;
- changes in governmental regulations in the numerous countries in which we operate including, for example, regulations that:
  - encourage or mandate hiring local contractors; and
  - require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction;
- litigation, including, for example, asbestos litigation and environmental litigation; and
- environmental laws, including, for example, those that require emission performance standards for facilities;

Weather related.

- the effects of severe weather conditions, including, for example, hurricanes and tornadoes, on operations and facilities; and
- the impact of prolonged severe or mild weather conditions on the demand for and price of oil and natural gas;

EXHIBIT 3

Sanger, Arvind S. CFA 212-469-2998
Urban, Michael W. 212-469-3113
Deutsche Banc Alex. Brown Inc.

6/29/2001

HALLIBURTON COMPANY [HAL] "BUY"
Halliburton Increases Asbestos Reserve. Reiterate Buy, but Renewed Concerns Could Impact Valuation

Date:	06/28/2001	EPS	2000A	2001E	2002E
Price:	37.17	1Q	0.05	0.20A	NE
52-Wk Range:	55 - 32	2Q	0.12	0.29	NE
Ann Dividend:	0.5	3Q	0.18	0.36	NE
Ann Div Yld:	1.35%	4Q	0.22	0.40	NE
Mkt Cap (mm):	16,764	FY(Dec.)	0.58	1.25	2.00
3-Yr Growth:		FY P/EPS	64.1X	29.7X	18.6X
		CY EPS	EENE	NENE	NE
Est. Changed	No	CY P/EPS	NM	NM	NM

Industry: OIL SERVICES & EQUIPMENT
Shares Outstanding(Mil.): 451.0
Return On Equity (2000) : 0.0%

HIGHLIGHTS:

HAL announced yesterday that it is considering accruing an additional $50 to $60 million after-tax to cover some asbestos liabilities of a company that had been spun off from one of its predecessor companies in 1992. This subsidiary, Harbison-Walker Refractories Co (HWR), is co-insured with HAL under a substantial insurance program. However, HWR's parent, RHI, an Austrian company, has indicated that it may be unwilling to fund the amount that HWR may need to pay out of pocket against asbestos claims and HAL may be forced to take a leadership role in negotiating settlement's of HWR's claims.

This charge, if taken, will be in Q2 for discontinued operations, and will be easily offset by the $300 million after-tax gain on the sale of Dresser Equipment Group. While insignificant by itself, it does remind people of HAL's asbestos liabilities and could depress its multiple as these concerns rear their head again. We continue to rate HAL a Buy because of its recent sharp pull back but prefer RIG, RHI and SLB (all Strong Buy rated) among the large caps. Our target price remains unchanged at $54 (based on a 27.0 multiple of 2002 EPS), implying an 11.9 multiple of 2002 EBITDA.

DETAILS:

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Additional Information Available Upon Request

The following stock(s) is (are) optionable: Halliburton Company; Transocean Sedco Forex Inc.; Baker Hughes Incorporated; Schlumberger Limited.
There is a (are) convertible issue(s) outstanding on Transocean Sedco Forex Inc.; Baker Hughes Incorporated.
long common stock

United States of America

Energy: Oil Services & Equipment

Halliburton Co.

Reuters: HAL.N Bloomberg: HAL NYSE: HAL

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Equity Capsule

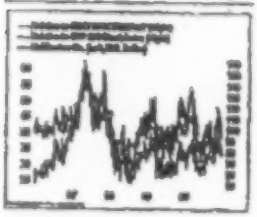
June 28, 2001

Protecting its Flanks

Price (June 27, 2001):	$38.65
Price Target:	$50
52-Week Range:	$55.19 - 32.20

- HAL may assist former subsidiary in management of asbestos claims. Harbison-Walker and Halliburton are co-defendants in many claims and are co-insured. HAL believes assisting Harbison may be in the best interest of shareholders.
- HAL may set up a reserve of $30-40 mm related to the Harbison claims. We believe that this would be a "rainy day" reserve for a worst case scenario, presumably involving insolvency on the part of Harbinson.
- We continue to believe asbestos is a virtual non-issue for HAL. Since 1976 the company has settled or disposed of 165,000 claims at a total cost of $124 mm ($32 mm, net of insurance), with another $29 mm reserved for additional claims.

Price: Abs. and Rel. To Market & Industry



Company Description

HalDeton is the largest oilfield services company in the world with products, services, and integrated solutions for oil and gas exploration, development, and production. Capabilities range from the initial evaluation of projects, formation re-drilling, completion, production enhancement, and well maintenance.

FY ending Dec 31	$MMA	2000E	2001E	2002E
EPS ($)	0.91	1.33	2.17	-
Prior EPS Est. ($)	-	-	-	-
Consensus EPS Est. ($)	-	-	-	-
CEPS ($)	2.25	2.48	3.34	-
P/E	42.7	29.0	17.8	-
P/E Rel. to Stock Index	-	-	-	-
P/CE	17.2	15.6	11.6	-
Price/Book	-	-	-	-
EV/EBITDA	-	-	-	-
Yield (%)	1.3	1.3	1.3	1.3

Market Cap ($ m)	10,000
Enterprise Value ($ m)	-
Debt/Cap (2000) (%)	-
Return on Equity (2000) (%)	-
LT EPS Gth (yr - yr) (%)	NA
P/E to Growth	-
Shares Outstanding (m)	423.1

Qtrly EPS	2000A actual	2000E old	2001E prior	2001E new	2002E prior
Q1	0.17	0.33	-	-	-
Q2	0.17	0.33	-	-	-
Q3	0.35	0.39	-	-	-
Q4	0.38	0.40	-	-	-

E = Morgan Stanley Research Estimate

Please refer to important disclosures at the end of this report.

Protecting its Flanks

Summary and Investment Conclusion
Halliburton (HAL) may lend advisory and financial assistance to Harbison-Walker Refractories Company (which was spun-off from Dresser Industries, a HAL subsidiary, in 1992), in the management and settlement of asbestos claims which Harbison assumed at the time of the spin-off. Halliburton's management believes such an action may be in the best interest of Halliburton's shareholders because:

1. Many of the claims against Harbison also name Dresser as a co-defendant;

2. Harbison and Dresser are jointly covered under an insurance program which covers these claims and other claims against Dresser, giving Halliburton an interest in seeing these claims handled in the most cost efficient manner possible;

3. Dresser/Halliburton has historically been successful in managing the asbestos claims against it; and

4. Harbison has had no coordinated defense strategy in dealing with these claims, resulting in higher settlement and disposal costs to Harbison than have been historically realized by Dresser/Halliburton.

Halliburton is now in the process of investigating the claims against Harbison and the finances of Harbison and its affiliates. It currently believes that Harbison has 165,000 open claims filed against it, with some 52,000 subject to various negotiations and agreements. Should it agree to render assistance to Harbison, HAL currently believes it would set up an after-tax reserve of $30-60 million, net of insurance proceeds, to cover the claims against Harbison. The establishment of this reserve would be netted against the $300 million after-tax gain the company will recognize in the second quarter on the disposal of the Dresser Equipment Group. We believe such a reserve could be characterized as a "rainy day fund" to cover a worst case scenario, which, in our opinion, would include insolvency on the part of Harbison.

We continue to believe that asbestos liability is a virtual non-issue for Halliburton. Since 1976, Dresser/Halliburton has settled 165,000 asbestos claims at a total gross cost of $124 million, with insurance providing all but $32 million of the settlement funds. While the latest development related to Harbison was unexpected and bears further monitoring, based on our assessment of Dresser/Halliburton's historical experience in settling these claims, we do not currently believe it constitutes a significant risk to Halliburton's financial position or future results.

MORGAN STANLEY DEAN WITTER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]

V = More volatile. We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that can do not necessarily consider "volatile" can still perform in that manner.

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SALOMON SMITH BARNEY

Halliburton Company (HAL)

HAL: Possible Additional Asbestos Exposure

[redacted]

1L *(Buy, Low Risk)*

Mkt Cap: $18,983.1 mil.

June 29, 2001

[redacted]

OILFIELD EQUIPMENT & SERVICES

Geoff Kieburtz
212-816-3139
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Robert J. MacKenzie
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United States

SUMMARY

- Halliburton announced that one of its former subsidiaries, Harbison-Walker (HW), has requested financial and management assistance for the settlement of asbestos claims for which it assumed responsibility.
- However, the two companies are effectively co-insured giving Halliburton an interest in the efficient resolution of the claims.
- Halliburton is in the process of investigating the status of the claims against HW, and that company's financial condition and may take over the management and resolution of the claims.
- Halliburton estimates that the maximum potential liability, net of insurance, that could arise out of HW is $60 million.
- We do not believe that Halliburton's asbestos exposure, including HW, presents a material risk and reiterate our Buy opinion.

FUNDAMENTALS	
P/E (12/01E)	25.0x
P/E (12/02E)	17.7x
TEV/EBITDA (12/01E)	12.0x
TEV/EBITDA (12/02E)	8.7x
Book Value/Share (12/01E)	$10.13
Price/Book Value	3.7x
Dividend/Yield (12/01E)	$0.50/1.3%
Revenue (12/01E)	$12,835.0 mil.
Proj. Long-Term EPS Growth	NA
ROE (12/01E)	13.7%
Long-Term Debt to Capital(a)	27.9%
HAL is in the S&P 500® Index.	

(a) Data as of most recent quarter

SHARE DATA	
Price (6/28/01)	$37.17
52-Week Range	$34.69-$52.41
Shares Outstanding(a)	430.0 mil.
Dividend/Yield	No

RECOMMENDATION	
Current Rating	1L
Prior Rating	1L
Current Target Price	$50.00
Previous Target Price	$50.00

EARNINGS PER SHARE

FY ends		1Q	2Q	3Q	4Q	Full Year
12/00A	Actual	$0.11A	$0.17A	$0.36A	$0.29A	$0.88A
12/01E	Current	$0.29A	$0.31E	$0.37E	$0.41E	$1.38E
	Previous	$0.29A	$0.31E	$0.37E	$0.41E	$1.30E
12/02E	Current	NA	NA	NA	NA	$2.10E
	Previous	NA	NA	NA	NA	$2.10E
12/03E	Current	NA	NA	NA	NA	$2.60E
	Previous	NA	NA	NA	NA	$2.60E

First Call Consensus EPS: 12/01E $1.29; 12/02E $2.08; 12/03E NA

OPINION

Halliburton recently announced that one of its former subsidiaries, Harbison-Walker Refractories Company (HW), has requested that Dresser Industries (a subsidiary of Halliburton since the merger) provide it with claims management and financial assistance for asbestos claims that it assumed liability for when it was spun-off from Dresser in 1992. During this spin-off, Dresser maintained the liability for claims prior to the spin and Harbison assumed liability for all future claims. However, the two companies are effectively co-insured giving Halliburton an interest in the efficient resolution of the claims.

Halliburton is in the process of investigating the status of the claims against HW, and that company's financial condition. If the company determines that it is in its interest to do so, it may take over the management and resolution of the claims against Harbison. At present, there are about 165,000 open claims, for which approximately 52,000 are in the process of being settled. Halliburton estimates that the maximum potential liability, net of insurance, that could arise out of HW is $60 million.

A member of category[redacted]

Additionally, Halliburton has asbestos exposure through several of its current subsidiaries, including Kellogg Brown & Root and businesses acquired in the Dresser Industries merger. The claims filed against Dresser involve allegations that some products they manufactured contained asbestos that injured people that inhaled the fibers. Coverage for some of these claims is provided by various insurers, and the company is seeking to negotiate coverage for the remainder.

The claims filed against KBR stem from alleged exposure to asbestos fibers contained in some of the materials used in various construction and renovation projects of the former Brown & Root. Coverage for these claims was provided by Highlands Insurance Company, which was once a subsidiary of Halliburton, and was spun-off in 1996. However, the Delaware Chancery Court has ruled that Highlands is not obligated to provide insurance coverage for asbestos claims filed against Kellogg Brown & Root since agreements entered into by Highlands and Halliburton at the time of the spin-off terminated the policies previously written by Highlands that would otherwise cover these claims. Halliburton disputes this ruling and has appealed the decision to the Delaware Supreme Court, where it ultimately expects to prevail based on its reading of the agreements and the advice of counsel.

There is risk from the company's asbestos liability on three fronts. First, the possibility of a dramatic increase in the number of new claims filed. The first quarter of 2001 saw 18,000 new claims filed, versus a total of 45,000 during all of 2000, indicating a potential annual total this year of 72,000 new claims. Second, claimants could become more aggressive in terms of the amount of money being sought, as has been the case with other asbestos defendants, such as McDermott International. Third, the Delaware Supreme Court could uphold the lower court ruling that Highlands is not obligated to provide insurance coverage for asbestos claims filed against Kellogg Brown & Root, thereby removing Halliburton's primary insurance coverage for these claims.

Despite the risks detailed above, we do not expect that Halliburton's asbestos exposure presents a material risk to the company's existence as a going concern. Firstly, the magnitude of the company's exposure is an order of magnitude lower than that of McDermott International, while Halliburton is a significantly larger and more profitable company. With $278 million of cash at the end of the first quarter, against an $84 million accrued liability for open claims, assuming no insurance coverage, Halliburton appears to have sufficient financial resources to manage this exposure. Thus, we reiterate our Buy rating on the stock.

COMPANY DESCRIPTION

Halliburton provides a comprehensive scope of products and services in well construction, production infrastructure, engineering and construction, and energy-related capital equipment. The company has been organized into three groups - the Energy Services Group (ESG), and Engineering and Construction Group (E&C). The ESG Group provides discrete services and products and integrated solutions to customers in the exploration, development and production of oil and gas and has three segments: Halliburton Energy Services (HES), part of the former Brown and Root Energy Services (BRES), and Landmark Graphics (LMRK). The E&C group provides services to energy and industrial customers and government entities worldwide and consists of two segments: Kellogg, Brown and Root (includes E&C activities of the former BRES) and Brown & Root Services.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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EXHIBIT 4

FORM 10-Q

HALLIBURTON CO - HAL

Filed: November 08, 2001 (period: September 30, 2001)

Quarterly report which provides a continuing view of a company's financial position

USCA5 8443

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EX–10 (Material contracts)

FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 [illegible] 15(d) of the
Securities Exchange Act of 193[illegible]
For the quarterly period ended September [illegible], 2001

OR

[ ] Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 1-3492

HALLIBURTON COMPANY

(A Delaware Corporation)
75-2677995

5600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value $2.50 per share-
Outstanding at October 31, 2001 - 429,361,251

The uncertainties of asbestos claim litigation and resolution of the litigation with insurance companies and Harbison-Walker described above make it difficult to accurately predict the results of the ultimate resolution of asbestos claims. That uncertainty is increased by the possibility of adverse court rulings or new legislation affecting the asbestos claim litigation or the settlement process. Subject to these uncertainties and based on our experience defending asbestos claims and our estimate of amounts we will recover from insurance, we believe that open asbestos claims will be resolved without a material adverse effect on our financial position or the results of operations.

Fort Ord litigation. Brown & Root Services, now operating as Kellogg Brown & Root, is a defendant in civil litigation pending in federal court in Sacramento, California. The lawsuit alleges that Brown & Root Services violated provisions of the False Claims Act while performing work for the United States Army at Fort Ord in California. This lawsuit was filed by a former employee in 1997. Brown & Root Services has denied the allegations and is preparing to defend itself at trial. Further proceedings in this civil lawsuit have been stayed while the investigation referred to in the next paragraph is ongoing. We believe that it is remote that this civil litigation will result in any material amount of damages being assessed against us.

Although in 1996 the United States Department of Justice declined to join this litigation, it has advised us that Brown & Root Services is the target of a federal grand jury investigation regarding the contract administration issues raised in the civil litigation. Brown & Root Services has been served with grand jury subpoenas, which required the production of documents relating to the Fort Ord contract and similar contracts at other locations. We are cooperating in this investigation. The United States Department of Justice has not made any specific allegations against Brown & Root Services.

Environmental. We are subject to numerous environmental legal and regulatory requirements related to our operations worldwide. We take a proactive approach in evaluating and addressing the environmental impact of our operations. Each year we assess and remediate contaminated properties in order to avoid future liabilities and comply with legal and regulatory requirements. On occasion we are involved in specific environmental litigation and claims, including the clean-up of properties we own or have operated as well as efforts to meet or correct compliance-related matters.

Some of our subsidiaries and former operating entities are involved as a potentially responsible party or PRP in remedial activities to clean-up several "Superfund" sites under United States federal law and comparable state laws. Kellogg Brown & Root is one of nine PRPs named at the Tri-State Mining District "Superfund" site, also known as the Jasper County "Superfund" site. Based on our negotiations with federal regulatory authorities and our evaluation of our responsibility for remediation at small portions of this site, we do not believe we will be compelled to make expenditures which will have a material adverse effect on our consolidated financial position or results of operations. However, the United States Department of the Interior and the State of Missouri have indicated that they might make a separate claim against Kellogg Brown & Root for natural resource damages. Discussions with them have not been concluded and we are unable to make a judgement about the amount of damages they may seek.

We also incur costs related to compliance with ever-changing environmental, legal and regulatory requirements in the jurisdictions where we operate. It is very difficult to quantify the potential liabilities. We do not expect these expenditures to have a material adverse effect on our consolidated financial position or our results of operations.

During the second quarter of 2001, we accrued $15 million for environmental matters related to liabilities retained on properties included in the sale of Dresser Equipment Group. Our accrued liabilities for environmental matters were $49 million as of September 30, 2001 and $31 million as of December 31, 2000.

Other. We are a party to various other legal proceedings. We expense the cost of legal fees related to these proceedings. We believe any liabilities we may have arising from these proceedings will not be material to our consolidated financial position or our results of operations.

OPPOSITION BRIEF

169

(2)

No. 09-1403

Supreme Court, U.S.
FILED
AUG 18 2010
OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO. ET AL.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether the court of appeals correctly affirmed the district court's denial of class certification where the evidence showed that the alleged misrepresentations had no impact on the company's stock price.

CORPORATE DISCLOSURE STATEMENT

Pursuant to this Court's Rule 29.6, Respondent Halliburton Company states that it is a publicly held company, which has no parent company.

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IN THE

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HALLIBURTON CO. ET AL.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

---

BRIEF IN OPPOSITION

INTRODUCTION

Petitioner Erica P. John Fund, Inc. (the Fund) alleges that the decision below diverges from a 2008 decision of "the Second Circuit and [recent decisions from] district courts in seven other circuits" with respect to whether a plaintiff must prove loss causation to obtain certification of a securities-fraud class action. Pet. 12. The division of authority alleged by the Fund is illusory. Contrary to the Fund's claims, the Second Circuit—like the Fifth Circuit—considers evidence of loss causation at the class-certification stage. Any distinction between the circuits

is merely procedural. The circuits' substantive approaches are indistinguishable.

This case illustrates the illusory nature of the alleged split. The evidence below showed no link between the alleged misrepresentations and any effect on the price of Halliburton's stock. Even the Fund does not dispute that the preponderance of the evidence showed the absence of loss causation. Respondents would therefore prevail under the Second Circuit's approach, which denies class certification when the evidence shows that loss causation is lacking. As such, this case presents a poor vehicle for review because the outcome would be the same regardless of the approach used.

Finally, even if there were a substantive divergence between the Second and Fifth circuit's approaches, such a shallow and recent split would not warrant this Court's review of an interlocutory decision denying class certification. As demonstrated by the Fund's petition, Pet. 15-17, lower courts across the Nation are just beginning to wrestle with this issue. Percolation is advisable to allow additional courts of appeals to consider the issues presented. Indeed, even the Fifth Circuit has not had occasion to consider the recent Second Circuit opinion relied upon by the Fund because the Fund declined to seek rehearing en banc. For all these reasons, the Court should deny the petition.

STATEMENT

I. BACKGROUND.

The Fund is lead plaintiff in this putative securities-fraud class action against Respondents Halliburton Company and its CEO David Lesar (collectively, Halliburton). Pet. App. 111-112. The Fund asserts three general categories of alleged misrepresentations. *Id.* at 124. These concern Halliburton's (1) potential liability in asbestos litigation; (2) accounting for revenue on fixed-

price construction contracts; and (3) potential benefits of a merger with Dresser Industries. *Id.* at 112-113. The Fund contends investors lost money when Halliburton's stock price dropped following the release of negative news. *Id.* at 113.

A securities-fraud plaintiff bringing a claim under Section 10(b) of the Securities Exchange Act and Rule 10b-5 must prove the following elements: (1) a material misrepresentation (or omission); (2) scienter; (3) a connection with the purchase or sale of a security; (4) reliance; (5) economic loss; and (6) loss causation, i.e., that the misrepresentation caused the alleged loss. *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 341-342 (2005).

A securities-fraud plaintiff must also satisfy the requisites of Rule 23 to obtain class-action status. That rule permits class certification only if (1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims of the lead plaintiff are typical of those of the class; and (4) the lead plaintiff will adequately protect class interests. Fed. R. Civ. P. 23(a). Petitioner here sought certification under Rule 23(b)(3), which requires a plaintiff to prove that "the questions of law or fact common to class members predominate over any questions affecting only individual members." A plaintiff must establish each of the Rule 23 requirements by a preponderance of the evidence. *Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier Inc.*, 546 F.3d 196, 202 (2d Cir. 2008); *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 267-269 (5th Cir. 2007).

In *Basic Inc.* v. *Levinson*, this Court recognized that a plaintiff could not establish Rule 23's predominance requirement in a securities class action if each member of the proposed class were required to prove individual reliance. 485 U.S. 224, 242 (1988). Consequently, this

Court held that a putative class-action plaintiff may obtain a "rebuttable presumption" of class-wide reliance by invoking the "fraud-on-the-market" theory. The fraud-on-the-market theory assumes that in an efficient, well-developed market all public information about a company is known to the market and is reflected in the company's stock price. *Id.* at 246. The theory therefore posits that "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of [the market] price." *Id.* at 247.

To trigger the fraud-on-the-market presumption of reliance, the plaintiff must show that (1) the defendant made public material misrepresentations; (2) the defendant's shares were traded in an efficient market; and (3) the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed. *Basic*, 485 U.S. at 248 & n.27. Such a showing establishes the "threshold facts" for a rebuttable presumption that the entire class relied on the integrity of the price set by the market. *Id.* at 248. A defendant, however, may rebut the proof giving rise to the presumption or make "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Ibid.*

II. Proceedings Below.

The district court denied the Fund's request for class certification, and the Court of Appeals for the Fifth Circuit affirmed. Pet. App. 111-136. Drawing on *Basic*, the court of appeals concluded that the district court properly refused class certification because the Fund is not entitled to the fraud-on-the-market presumption.

The court of appeals evaluated *Basic*'s application to cases where the plaintiff contends its losses derive not through increases in the stock price following alleged

misrepresentations, as in *Basic*, but instead through a decline in the stock price following alleged corrective disclosures. Pet. App. 115-118. In other words, the court of appeals considered when a proposed class is entitled to the fraud-on-the-market presumption where the plaintiff contends only that the company's stock price dropped following the release of negative information. *Ibid.* Particularly concerning to the court of appeals were situations where the negative news on its face does not correct the prior alleged misrepresentation or where the negative news contains non-culpable or industry-wide negative information. *Id.* at 116-120.

The court of appeals reiterated its previous holding in *Oscar Private Equity*, 487 F.3d at 269, that the touchstone for applying the fraud-on-the-market presumption is whether the alleged misrepresentation actually inflated the company's stock price. Pet. App. 112, 115; see *Basic*, 485 U.S. at 247 ("[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of [the market] price"). Thus, to be entitled to the presumption of reliance, a plaintiff must do more than simply allege a misrepresentation and show a price decline following a subsequent disclosure of negative information. Instead, the plaintiff must show that the alleged misrepresentations "actually moved the market." Pet. App. 115. To do that in a case involving alleged corrective disclosures, a plaintiff must "prove that its loss resulted directly because of the correction to a prior misleading statement." Pet. App. 117. Without such proof, "there would be no inference raised that the original, allegedly false statement caused an inflation in the stock price to begin with." *Ibid.* Quoting its earlier decision, the court of appeals explained that this showing of loss causation must be made "at the class certification stage by a preponderance of all admissible evidence." Pet. App. 115.

The court of appeals spelled out some specific corollaries which ensure that the alleged fraud is the cause of the allegedly inflated market price and resulting stock-price decline. First, plaintiffs must "show that a loss occurred from the decline in stock price because the truth made its way into the marketplace, rather than for some other reason, such as a result of changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other factors independent of the fraud." Pet. App. 117. Similarly, "if a company releases multiple items of negative information on the same day, the plaintiff must establish a reasonable likelihood that a subsequent decline in stock price is due to the revelation of the truth of the earlier misstatement rather than to the release of the unrelated negative information." *Id.* at 117-118. Nor may a plaintiff rely on the release of "confirmatory information"—information that repeats facts already known to the market and thus already reflected in the stock price. *Id.* at 119. In sum, "a subsequent disclosure that does not correct and reveal the truth of the previously misleading statement" is not a sufficient basis for certifying a class under the fraud-on-the-market presumption. *Id.* at 118 (citing *Alaska Elec. Pension Fund* v. *Flowserve Corp.*, 572 F.3d 221, 230 (5th Cir. 2009) (O'Connor, J.)).

Applying the foregoing test, the court of appeals held that the Fund failed to show that any of Halliburton's alleged misrepresentations inflated the company's stock price. Pet. App. 123-136. The Fund's own analysis showed that Halliburton's stock never increased following any of the alleged misrepresentations; thus, the Fund relied "only on stock price decreases following allegedly corrective disclosures by Halliburton." Pet. App. 116. The court concluded, however, that the evidence failed to show that any disclosure followed by a

stock-price decline was corrective; i.e., revealed the falsity of any of Halliburton's alleged misrepresentations. It was "not enough merely to show that the market declined after a statement reporting negative news." *Ibid.* Rather, the evidence had to show that the decline in price following a disclosure "raise[d] an inference that the price was actually affected by earlier alleged misrepresentations." *Id.* at 117. The Fund could not make this showing and, therefore, could not demonstrate that any misrepresentation actually moved the market in the first place. Thus, the Fund could not invoke the fraud-on-the-market presumption of class-wide reliance as required to obtain class certification under Rule 23.

The Fund did not seek rehearing en banc. Instead, it filed this petition.

REASONS FOR DENYING THE PETITION

I. THERE IS NO DIVISION OF AUTHORITY AMONG THE CIRCUITS WITH RESPECT TO THE CONSIDERATION OF LOSS CAUSATION AT THE CLASS CERTIFICATION STAGE.

The Fund argues that the decision below conflicts with the decision in *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474 (2d Cir. 2008), and with the decisions of "district courts in seven other circuits." See Pet. 12-18. The alleged conflict with the Second Circuit is illusory, and the Fund's extensive reliance on district-court cases strikingly manifests that this issue is not yet ripe for the Court's review.

A. The Second Circuit Considers Loss Causation in Deciding Class Certification.

The Fund argues that the Second Circuit "squarely rejected" the Fifth Circuit's approach in *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474 (2d Cir. 2008). See Pet. 12-14. That is simply not so. The Second Circuit's decision in *In re Salomon* mentions the Fifth

Circuit's decision in *Oscar Private Equity* only once, and as discussed below, it does so *favorably*. Not surprisingly, then, *In re Salomon* produces more harmony with the decision below than disharmony. Indeed, the Second Circuit's approach is substantively indistinguishable from the Fifth Circuit's and will produce identical results in virtually all cases, including the present case.

In *In re Salomon*, the court of appeals *vacated* the district court's decision certifying a class. 544 F.3d at 486. The court emphatically agreed with the Fifth Circuit that the absence of loss causation would doom class certification by eliminating the class-wide presumption of reliance. *Id.* at 485-486. The court squarely rejected the Fund's position here that evidence of loss causation may not be considered at the class-certification stage. *Ibid.* And the Second Circuit was unconcerned that assessing loss causation would force the district court to consider a requirement that "is identical to an issue on the merits." *Id.* at 484; accord *ibid.* (rejecting district court's refusal to "weigh merits-related evidence" on loss causation). The court instead endorsed the Fifth Circuit's holding that loss-causation evidence is properly considered in determining whether a class can be certified. *Id.* at 485 (citing and quoting *Oscar Private Equity* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 270 (5th Cir. 2007)).

In re Salomon holds that a plaintiff need not initially prove that the alleged misrepresentations had a measurable effect on market price in order to satisfy *Basic*'s threshold requirements for invoking the fraud-on-the-market presumption. 544 F.3d at 482-483. However, the Second Circuit made clear that the defendant may rebut the presumption by introducing evidence tending to show the absence of loss causation. *Id.* at 483-484. The court quoted *Basic*'s holding that

"*[a]ny showing* that severs the link between the alleged misrepresentation and . . . the price . . . will be sufficient to rebut the presumption of reliance." *Ibid.* (quoting *Basic*, 485 U.S. at 248 (emphasis added)). Thus, a defendant may rebut the presumption by "showing that there was no price impact" from the misrepresentation. *Id.* at 483; see also *ibid.* (defendant may rebut the presumption by "show[ing] that the misrepresentation in fact did not lead to a distortion of price"); *id.* at 484 ("defendants are allowed to rebut the presumption . . . by showing . . . the absence of a price impact"). The Second Circuit left no doubt that the defendant could make this loss-causation showing "prior to class certification," *id.* at 484, turning back plaintiff's arguments to the contrary. *Id.* at 484-485. "The *Basic* Court explained that successful rebuttal defeats certification by defeating the Rule 23(b)(3) predominance requirement." *Id.* at 485 (citing *Basic*, 485 U.S. at 249 n.29). The Second Circuit therefore remanded so that defendants could attempt to rebut the presumption of reliance. *Id.* at 486.

In sum, there is very little difference between the approaches of the Second and Fifth circuits. Both consider evidence of loss causation at class certification, and both require that plaintiffs prove each of the Rule 23 requirements for class certification by a preponderance of the evidence. Any procedural divergence between the circuits is unlikely to make a substantive difference. That may be inferred from the relatively light burden that a defendant bears in rebutting *Basic*'s presumption of reliance. This Court has declared that "*[a]ny showing* that severs the link between the alleged misrepresentation and . . . the price . . . will be sufficient to rebut the presumption of reliance." *Basic*, 485 U.S. at 248 (emphasis added)). The Second Circuit seems to agree, requiring only that a defendant "*submi[t] evidence* to show that the misrepresentations did not

affect market price." *In re Salomon*, 544 F.3d at 485 (emphasis added). At all times, moreover, the ultimate burden of persuasion remains with the plaintiffs, for it is plaintiffs who must establish each of the Rule 23 requirements. *Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier Inc.*, 546 F.3d 196, 202 (2d Cir. 2008) (plaintiffs must satisfy Rule 23 by a "preponderance of the evidence"). Thus, *In re Salomon* explained that "[i]f defendants attempt to make a rebuttal . . . . the district judge must receive enough evidence . . . to be satisfied that each Rule 23 requirement has been met." *Id.* at 486; accord *Lapin* v. *Goldman Sachs & Co.*, No. 04 Civ. 2236, 2008 WL 4600994, at *2 (S.D.N.Y. Oct. 15, 2008) (explaining that under *In re Salomon* "the burden is on the plaintiff, and if the defendants contest the facts, the Court must engage in fact finding").[1]

It is doubtful that putative classes will be any easier to certify under the Second Circuit's procedure than under the Fifth Circuit's. After all, regardless of when or how the burden shifts, if the preponderance of evidence demonstrates the absence of loss causation, a class may not be certified. Commentators have recognized that the lower courts' slight procedural differences do not a circuit split make. "Ultimately, with both plaintiffs and defendants presenting evidence on the issue of loss causation at the class certification stage, and the courts

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[1] Cf. *Tex. Dept. of Cmty. Affairs* v. *Burdine*, 450 U.S. 248, 252-254 (1981) (although plaintiff may invoke a rebuttable presumption that he suffered from discriminatory acts, the defendant may rebut the presumption by any admissible evidence of non-discriminatory motive, and the "ultimate burden of persuading the trier of fact . . . remains at all times with the plaintiff"); Fed. R. Evid. 301 ("a presumption imposes . . . the burden of going forward with evidence to rebut or meet the presumption, *but does not shift to such party the burden of proof*") (emphasis added).

applying the preponderance of the evidence standard to all admissible evidence, *it is likely there will be little difference between class certification in the Fifth and Second circuits.*" Jamie A. Levitt & Michael Gerard, *Loss Causation at Class Certification: Illusory Circuit Split*, N.Y.L.J. 4, 6 (Nov. 5, 2008) (emphasis added). The Fund itself seemed to agree in the court below. Although it spent several pages of its briefing arguing that the Fifth Circuit's approach is "[i]nconsistent [w]ith . . . the [p]recedent from [o]ther [c]ircuits," the Fund never cited the Second Circuit's decision in *In re Salomon*. See Appellant's CA5 Brief at 32-35 (filed May 4, 2009); Appellant's CA5 Reply Brief at 8-9 (filed June 30, 2009).[2]

At the very least, it is unclear that there will be any real-world impact flowing from any minor differences

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[2] A later Second Circuit decision confirms that the absence of loss causation defeats class certification within the Second Circuit. See *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29 (2009). *In re Flag Telecom* does *not* "cit[e] approvingly the district court cases in the Second Circuit rejecting *Oscar*," as the Fund contends. Pet. 14 n.7. Rather, as the Fund concedes, the court was asked to "reject the approach taken by the Fifth Circuit Court of Appeals in [*Oscar*]," but declined to do so because the issue of "loss causation in the context of the Rule 23(b)(3) predominance requirement . . . . is not before us here." *In re Flag Telecom*, 574 F.3d at 39. However, the court of appeals did require plaintiffs to prove loss causation in order to satisfy Rule 23's adequacy and typicality requirements with respect to a subset of the defined class—so-called "in and out traders." *Id.* at 39-40. After a detailed analysis of loss causation reminiscent of the decision below, *id.* at 40-41, the court "conclude[d] that Plaintiffs have not put forth sufficient evidence on which the in-and-out traders could establish loss causation, and they therefore must be excluded from the certified class." *Id.* at 41. *In re Flag Telecom* thus confirms two important points: (1) the Second Circuit has *not* rejected the Fifth Circuit's approach to loss causation; and (2) plaintiffs in the Second Circuit bear the ultimate burden of proof with respect to merits issues—including loss causation—that overlap with Rule 23's class-certification requirements.

between the Second and Fifth circuits. All we have so far is one Second Circuit decision *vacating* class certification. That uncertainty counsels further percolation. See, *infra*, at 14-15. And the certainty that the present case would come out the same way under either circuit's approach militates strongly against review. See, *infra*, at 16-22.

B. No Other Court of Appeals Disagrees with the Decision Below.

Citing decisions from the First, Third, and Ninth circuits, the Fund asserts that the decision below is in "considerable tension" with the holdings of other courts of appeals. Pet. 15. As the Fund's formulation betrays, there is in fact no real division of authority. The Fund's own parenthetical descriptions of the First and Ninth circuits' decisions reveal only general statements that a plaintiff must prove an efficient market in order to trigger *Basic*'s fraud-on-the-market presumption. *Ibid.* (citing *In re Polymedica Corp. Sec. Litig.*, 432 F.3d 1, 7 (1st Cir. 2005); *Binder* v. *Gillespie*, 184 F.3d 1059, 1064 (9th Cir. 1999)). These decisions do not address whether loss causation is relevant to class certification.[3]

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[3] In *In re Polymedica*, the First Circuit *vacated* the district court's order certifying a class because the plaintiff failed to establish "market efficiency," and thus could not invoke the fraud-on-the-market presumption. On remand, the district court denied class certification, holding that *In re Polymedica*'s requirement of market efficiency "erects a significant hurdle" for plaintiffs. *In re Polymedica Corp. Sec. Litig.*, 453 F. Supp. 2d 260, 272 (D. Mass. 2006). The court found that plaintiffs fell short of establishing the "most important" factor in the market-efficiency test—"a cause-and-effect relationship over time between unexpected corporate events or financial releases and an immediate response in stock price." *Id.* at 265. Thus, it appears that the First Circuit's market-efficiency requirement imposes a similar burden as the Fifth Circuit's loss-causation requirement. See also *In re Xcelera.com Sec. Litig.*, 430 F.3d 503, 512 & n.10, 513 (1st Cir. 2005) (affirming class certification

Moreover, they predate both *Oscar Private Equity* and *In re Salomon*, and therefore had no occasion to confront whether the Second and Fifth circuits are correct to consider proof of loss causation before certifying a class.

The Third Circuit case cited by the Fund, if anything, *supports* the Fifth Circuit's approach in the decision below. See Pet. 15 (citing *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410 (3d Cir. 1997)). There, then-Judge Alito declared for the court that "[i]n the context of an 'efficient' market, the concept of materiality translates into information that alters the price of the firm's stock." *In re Burlington*, 114 F.3d at 1425. While *In re Burlington* decided an appeal of a 12(b)(6) motion to dismiss, its reasoning strongly suggests that the Third Circuit agrees with the Fifth Circuit's requirement to show a price impact in order to apply *Basic*'s fraud-on-the-market presumption.[4] Indeed, the Third Circuit later held that class certification was inappropriate where "plaintiffs' claims do not involve an omission or misrepresentation that affected the value of a security in an efficient market. Therefore, a presumption of reliance based on this theory would be inappropriate." *Newton* v. *Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 175-176 (3d Cir. 2001). These decisions have led one recent commentator to remark that the Third Circuit's approach to materiality is simply "*Oscar* in another guise." Donald C. Langevoort, *Basic at Twenty:*

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because plaintiffs presented "a sophisticated event study" showing that Xcelera stock "reacted strongly . . . to new information concerning the company (including . . . disclosures at issue in this case")).

[4] See also *Oran* v. *Stafford*, 226 F.3d 275, 282 (3d Cir. 2000) (Alito, J.) (holding that "if a company's disclosure of information has no effect on stock prices, it follows that the information disclosed . . . was immaterial as a matter of law") (quotation omitted).

Rethinking Fraud on the Market, 2009 Wisc. L. Rev. 151, 190 (2009).

C. Prudential Considerations Counsel against Certiorari.

In addition to the lack of tension between the substantive approaches of the Second Circuit and the decision below, prudential considerations also strongly counsel against wading into this shallow and inconsequential (alleged) split. To begin with, the Fund's alleged split involves only one court of appeals on either side. It is less than two years old. And the Second Circuit's decision *agrees* with the decision below that loss causation is relevant at the class-certification stage. Any disagreement is merely procedural. In practice, it seems unlikely that the Second Circuit's approach will differ at all from that of the Fifth Circuit. See, *supra*, at 7-12. Indeed, in this very case, the outcome would be the same regardless of whether the Second or Fifth circuit's precedent applied. See, *infra*, at 16-22.

All of this suggests that further percolation is warranted. Moreover, as the Fund's citation of district-court decisions from the last two years demonstrates, the lower courts are just beginning to confront this issue. Analysis by additional courts of appeals would greatly aid this Court if it eventually wishes to address this issue. Time will also reveal whether the Second and Fifth circuits' approaches diverge in any meaningful way. Likewise, it is quite possible that either the Second Circuit or the Fifth Circuit would take a case en banc and agree with the other circuit's approach. The Fifth Circuit did not have that opportunity in the present case because the Fund declined to seek rehearing en banc to give the Fifth Circuit a chance to consider the Second Circuit's decision in *In re Salomon*. Thus, time may well dissolve any circuit tension altogether, reveal it to be immaterial, or at the very least, provide additional, in-depth analysis

of the question presented by appellate judges throughout the Nation.

The absence of need for immediate intervention by this Court is confirmed by both the nature of the issue presented and its procedural posture. In *Basic*, this Court intentionally declined to embrace any particular variant of the fraud-on-the-market theory. 485 U.S. at 242, 247-248 & nn. 24, 28; see *In re Polymedica Corp.*, 432 F.3d at 12 (referencing this Court's "disclaimer that it was not adopting any particular economic theory in applying the fraud-on-the-market presumption of reliance"). Other than placing the initial burden on the plaintiff to show material misrepresentations and market efficiency, and allowing defendants to rebut the presumption, this Court did not "set forth any" specific procedural or substantive "rules with respect to [lower courts'] application" of the fraud-on-the-market presumption. John A. MacKerron, *The Price Integrity Cause of Action under Rule 10b-5*, 69 Or. L. Rev. 177, 197 (1990). Consequently, courts and commentators alike have perceived that "*Basic* essentially allows each of the circuits room to develop its own fraud-on-the-market rules." *Nathenson* v. *Zonagen*, 267 F.3d 400, 414 (5th Cir. 2001). Accord *In re Polymedica*, 432 F.3d at 12 ("*Basic* . . . did not directly address the meaning of an efficient market, choosing instead to leave the development of that concept to the lower courts"); Patricia Groot, *Fraud on the Market Gets a Mini-Trial*, 58 Duke L.J. 1143, 1154-1155 (2009) (observing that *Basic* "seemed content that lower courts would sort out substantive and procedural issues—including what proof plaintiffs must show to invoke the theory"); Russell Robinson, Comment, *Fraud-on-the-Market Theory and Thinly-Traded Securities under Rule 10b-5: How Does a Court Decide if a Stock Market is Efficient?*, 25 Wake Forest L. Rev. 223, 225 (1990) (stating that *Basic* "left to

the lower courts the task of determining the practical application of fraud-on-the-market theory"). This Court's grant of discretion to the lower courts to work out the details concerning class certification in fraud-on-the-market cases weighs heavily against review in the absence of a significant and direct circuit split.

The Fund, moreover, seeks review of an interlocutory order denying class certification. This Court is quite reluctant to review decisions that do not finally resolve the merits of a dispute. Eugene Gressman et al, *Supreme Court Practice* 280-283 (9th ed. 2007). *Basic* itself addressed the class-certification issue only after "the District Court granted summary judgment." 485 U.S. at 228-229. When this Court's reluctance to review interlocutory appeals is combined with *Basic*'s intent to allow the courts of appeals flexibility in addressing the fraud-on-the-market presumption, it is unsurprising that this Court has *never* granted certiorari to review an interlocutory class-certification decision in a securities-fraud case.[5] The Fund has presented no compelling reasons why this case should be the first.

II. This Case Presents a Poor Vehicle Because the Outcome Would Be the Same in any Court of Appeals.

In addition to the foregoing prudential reasons to deny certiorari, this case is not an appropriate vehicle to address the procedural framework for considering loss causation. The Fund's reliance on a Second Circuit decision *vacating* a certified class cannot possibly demonstrate that this case would be decided differently

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[5] Indeed, it appears that the *only* case in which this Court has ever reviewed an interlocutory decision pertaining to class certification is *Amchem Products, Inc.* v. *Windsor*, 521 U.S. 591, 597 (1997) (affirming decertification of settlement class of plaintiffs allegedly harmed by asbestos).

in another circuit. Indeed, the class proposed here could not be certified regardless of whether this case was litigated in the Second or Fifth circuit.

Both courts of appeals apply the same substantive standard of proof. The Fifth Circuit requires plaintiffs alleging losses resulting from a stock-price decline to prove that it was a corrective disclosure, "and not any unrelated negative information," that caused the stock price to drop. Without such a showing, the premise for the fraud-on-the-market presumption—that "the alleged misstatement actually moved the market"—is absent. Pet. App. 115. The Second Circuit permits defendants to rebut the presumption at the class-certification stage by showing that "the misrepresentation in fact did not lead to a distortion in price." *In re Salomon*, 544 F.3d at 483; *id.* at 484.

It is not overly difficult for a defendant to rebut the presumption of reliance. *Basic* holds that "*[a]ny showing* that severs the link between the alleged misrepresentation and . . . the price . . . will be sufficient to rebut the presumption of reliance." *Basic*, 485 U.S. at 248 (emphasis added). The Second Circuit seems to set a similarly low bar, requiring only that a defendant "*submi[t] evidence* to show that the misrepresentations did not affect market price." *In re Salomon*, 544 F.3d at 485 (emphasis added). Halliburton indisputably met that standard. But even if the Second Circuit would have required Halliburton to disprove loss causation by a preponderance of the evidence—which is unlikely, see, *supra*, at 9-11 & nn.1-2—Halliburton's proof was more than sufficient.

The Fund did not even allege that the stock price increased following the release of misrepresentations. Pet. App. 116. In fact, the Fund's expert conceded that her own study showed that there was no price increase caused by any of the alleged misrepresentations. C.A.

App. 6953, 6955-6956, 7059-7071; see Pet. App. 7 n.11 (stating that the Fund did "not point to any stock price increases resulting from positive misrepresentations"); *id.* at 116. Rather, the Fund alleged only that the stock price declined following the release of negative news, which it contended was related to one or more of the three categories of alleged misrepresentations. The Second and Fifth circuit's substantive standards for proving loss causation via negative disclosures are identical. Compare Pet. App. 116 (plaintiffs must prove loss resulted from "release of the alleged 'truth' of the earlier falsehood") with *In re Flag Telecom*, 574 F.3d at 41 (declining to certify class of plaintiffs who "have not presented sufficient evidence on which the lower court could conclude that any of the events revealed the truth about the subject of any of Defendants' alleged misstatements"). The Fifth Circuit held that the record evidence did not measure up to this standard. Thus, Halliburton would prevail regardless of the procedural road travelled.

The Fund makes no serious attempt to demonstrate that the outcome of this case would be different under the Second Circuit's procedural framework. Indeed, the Fund does not dispute that the preponderance of evidence in this case showed the absence of loss causation. The Fund discusses the specific facts of the case for only one paragraph on page 25 of its petition. Presumably, the Fund recounts what it thinks is its strongest allegation. A brief examination of the alleged corrective disclosure mentioned in the petition illustrates that the preponderance of record evidence defeats loss causation.

The Fund alleged that Halliburton misrepresented its projected asbestos liability and the reserves set aside to cover that liability. See Pet. 25; Pet. App. 124-125. One stock-price decline on which the Fund relied occurred

when Halliburton had to establish new reserves in June 2001 as a result of becoming responsible for the liability of a company (Harbison-Walker) spun off nine years earlier by another company (Dresser Industries) that was later acquired by Halliburton. *Ibid.*

In 1992, several years before merging with Halliburton, Dresser spun off Harbison-Walker. In connection with that transaction, Harbison-Walker agreed to indemnify Dresser for all future asbestos claims. C.A. App. 7685. When Halliburton later acquired Dresser in 1998, Halliburton disclosed information to the market concerning Harbison-Walker's indemnity agreement. *Ibid.* Harbison-Walker confirmed its agreement to indemnify Dresser/Halliburton in 2000, a fact that Halliburton disclosed in its 2000 Form 10-K, issued in March 2001. C.A. App. 7704.

In May 2001, Halliburton stated that its asbestos reserves for pending claims were $30 million dollars. Pet. App. 124. In June 2001, despite having recently acknowledged its indemnity obligation, Harbison-Walker unexpectedly "asked Halliburton to provide financial assistance for asbestos claims that Harbison-Walker had previously agreed to assume." *Ibid.*; cf. Pet. 25. Halliburton immediately disclosed this information in a June 28, 2001 press release, announcing that it would need to add new asbestos reserves of $50 to $60 million to cover this unexpected liability, and Halliburton's stock declined. Pet. App. 124-125.

The June 28 press release was not a corrective disclosure that revealed the falsity of any alleged misstatement. To the contrary, the June 28 press release stated that Harbison-Walker's request for assistance was "an unexpected development." C.A. App. 7747; Pet. App. 124. Indeed, Halliburton's 2000 10-K—filed in March 2001—had made clear that Harbison-Walker claims were *not* included in the previous estimate of $30 million in

asbestos liability. C.A. App. 7703-7704; see Pet. App. 126. Halliburton, moreover, produced evidence that it had made the market aware in the same 10-K (and previous filings) of Harbison-Walker's agreement to indemnify Halliburton; thus, the market knew Halliburton would be on the hook if Harbison-Walker became unable to fulfill its agreement to be responsible for its own asbestos liability. C.A. App. 7685, 7704; Pet. App. 126.

The Fund's own expert admitted that Halliburton had not previously told the market that Harbison-Walker "will never request or need our assistance on any of the asbestos claims they agreed to assume." C.A. App. 7668; Pet. App. 125 ("Plaintiff makes no argument that Halliburton made prior statements about exposure from claims related to Harbison-Walker.") Pet. App. 16 ("[t]here is no allegation—and certainly no evidence—that Harbison-Walker required Dresser's assistance prior to this disclosure"). Unsurprisingly then, the Fund's expert declined to testify that the June 28, 2001 statement corrected the falsity of any previous misrepresentation. She claimed only that the new information "corrected investors' erroneous assessments [of] Halliburton's asbestos liability." C.A. App. 6916; see Pet. App. 125-126.[6]

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[6] This is but one example of how Halliburton amply demonstrated that the alleged "misrepresentation[s] in fact did not lead to a distortion in price." *In re Salomon*, 544 F.3d at 483. Through expert testimony and a side-by-side comparison of the alleged misrepresentations and subsequent disclosures, Halliburton rebutted the fraud-on-the-market presumption by proving that the Fund's only alleged "basis for finding that the fraud had been transmitted through the market price [was] gone." *Basic*, 485 U.S. at 248. In some cases, the alleged misrepresentation was confirmatory of information previously released to the market and therefore would have no effect on the market price under the fraud-on-the-market theory. Pet. App. 127. In other cases, the alleged

The court of appeals therefore concluded that the Fund could not rely on the June 28, 2001 press release for application of the fraud-on-the-market presumption because it did not correct any previous alleged misstatement. Pet. App. 125-127. This holding would occur even in the Second Circuit because Halliburton proved that the June 28, 2001 disclosure was no indication that any alleged misrepresentation "le[]d to a distortion in price." *In re Salomon*, 544 F.3d at 483.

It is noteworthy that the Fund does not dispute that "a company is allowed to be proven wrong in its estimates." Pet. App. 126. It would indeed be bad public policy to punish companies with a securities-fraud lawsuit every time they dutifully report negative developments to the market. The Fund's pro-class-action policy arguments (see Pet. 32-33), by contrast, simply are not implicated by this case, where the preponderance of the evidence indisputably shows an absence of loss causation. In light of that evidentiary record, the Fifth Circuit reasonably declined "to draw the inference that the June 28, 2001 press release corrected allegedly *false* estimates of asbestos reserves merely because those reserves *changed*." Pet. App. 126 (emphasis added). That commonsense conclusion would not alter under the Second Circuit's precedent.[7]

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corrective disclosures conveyed only new, negative information or industry-wide developments and did not correct prior allegedly misleading statements or estimates. *Id.* at 128-129, 131, 134-135.

[7] The Fund mistakenly contends that the court of appeals held that the June 28, 2001 statement was not a corrective disclosure because it "did not indicate that Halliburton *knew* of Harbison-Walker's financial difficulties prior to the announcement." Pet. 25 (emphasis in original). As the evidentiary discussion above shows, however, the Fund's claim failed because the June 28, 2001 statement did not correct any misstatement previously *conveyed to the market*. The Fifth Circuit's analysis thus turned on the state of the market's

Because the court of appeals' decision is correct regardless of which circuit's approach is applied, this case does not present a suitable vehicle for resolving the first question presented.

III. THE DECISION BELOW DOES NOT CONFLICT WITH ANY DECISION OF THIS COURT.

In its second question presented and elsewhere throughout its petition, the Fund argues that the decision below conflicts with various decisions of this Court. To the contrary, the decision below faithfully interprets *Basic* and other precedents addressing securities-fraud class actions.

A. The Decision below is Consistent with *Basic*.

The decision below is consistent with the fraud-on-the-market framework set forth in *Basic*. See Pet. 18-31. Thus, it is hardly surprising that no court of appeals has rejected the Fifth Circuit's approach, nor that the approaches of the Second and Third circuits are substantively indistinguishable from the Fifth Circuit's. See, *supra*, at 7-14.

The Fund complains that the decision below "conflate[s] loss causation and the fraud-on-the-market theory of reliance," Pet. 22, while the Fund believes loss causation is "analytically distinct from whether [plaintiffs] can establish reliance based on the integrity of the market price." *Id.* at 20-21. Thus, the Fund contends that evidence concerning a misrepresentation's impact on stock price has no place whatsoever in determining whether a plaintiff may rely upon the fraud-on-the-market presumption. No circuit has endorsed such a

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knowledge, not on Halliburton's scienter. Pet. App. 125 ("The June 28, 2001, press release does not correct any specific misrepresentation by revealing a previously obscured truth."); see *id.* at 125-127.

categorical position. That is because the Fund misunderstands *Basic*.

To establish the threshold facts necessary for invoking the presumption of reliance, *Basic* requires a plaintiff to show that the defendant's "misrepresentations were material" and that those misrepresentations "would induce a reasonable, relying investor to misjudge the value of the shares." *Basic*, 485 U.S. at 248 n.27 (emphasis added). *Basic*'s presumption is bottomed on investors' "reliance on the integrity of [the market] price." *Id.* at 247. When the integrity of the market price has not been distorted by the alleged misrepresentation, there is no basis for the plaintiff to invoke the fraud-on-the-market presumption. Thus, as one leading commentator explained, the presumption of reliance and loss causation are closely intertwined: "[C]ourts attempting to apply the fraud-on-the-market theory to securities-fraud cases must concern themselves with whether a particular misstatement or material omission fooled the market. . . . If a particular nondisclosure did not fool the market, then plaintiff's reliance on the market's integrity was not misplaced." Jonathan R. Macey et al., *Good Finance, Bad Economics: An Analysis of the Fraud-on-the-Market Theory*, 42 Stan. L. Rev. 1059, 1077 (1990).

Loss causation, moreover, is central to the presumption of reliance inasmuch as *Basic* recognizes defendants' ability to rebut the presumption by disproving any impact on price. "Any showing that severs the link between the alleged misrepresentation and . . . the price . . . will be sufficient to rebut the presumption of reliance." *Basic*, 485 U.S. at 248. Indeed, the Second Circuit decision that the Fund elsewhere endorses flatly rejects the Fund's position that loss-causation evidence is irrelevant to the reliance presumption: "*Basic* made clear that defendants could

'rebut proof of the elements giving rise to the presumption, *or show that the misrepresentation in fact did not lead to a distortion of price.*'" *In re Salomon*, 544 F.3d at 483 (quoting *Basic*, 485 U.S. at 248) (emphasis added). The Fund cannot identify a single appellate decision accepting its doctrinaire stance that evidence of loss causation has no bearing on whether a plaintiff may employ the fraud-on-the-market presumption.[8]

Basic and the courts of appeals place a relatively light burden on defendants to rebut the presumption. See, *supra*, at 9-11. And, in any event, the district court must ultimately resolve the fraud-on-the-market question by the preponderance of all admissible evidence. A slight variation in the circuits' procedural implementation of *Basic* is a tolerable consequence of this Court's decision to give lower courts leeway to interpret the broad strokes of the fraud-on-the-market theory. See *supra*, at 15-16. There is no call for this Court to grant review absent a

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[8] The Fund inexplicably reads *Basic* to mean that a defendant may rebut the presumption "only by evidence that the stock does not trade in an efficient market or that the plaintiff did not rely on the price of the stock." Pet. 30. No court of appeals has adopted such a crabbed interpretation of *Basic*'s mandate that "*any showing*" severing the link between misrepresentation and stock price is sufficient to rebut the presumption. The examples given in *Basic*, 485 U.S. at 248-249, are just that—examples—and by no means exhaust the types of evidence encompassed by "any showing." In any case, the examples illustrate that a defendant may rebut the presumption by proving "that the market price would not have been affected by their misrepresentations." *Ibid.* For example, a defendant may show that "despite petitioners' allegedly fraudulent attempt to manipulate market price, news of the merger discussion credibly entered the market and dissipated the effects of the misstatements." *Ibid.* This example is virtually identical to the Fifth Circuit's holding that many of plaintiffs' alleged corrective disclosures were actually "confirmatory" statements that merely confirmed what the market already knew. Pet. App. 119, 123, 127.

showing that the Fifth Circuit's interpretation of *Basic* is leading to drastically different results than in other circuits.

Finally, the Fund argues that *Basic* permits consideration of defendants' rebuttal evidence only *at trial*. Pet. 29-30. Again, the Fund's position is refuted by the Second Circuit decision on which it elsewhere principally relies. "The *Basic* Court explained that a successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement." *In re Salomon*, 544 F.3d at 485 (citing *Basic*, 485 U.S. at 249 n.29). Thus, "defendants are allowed to rebut the presumption, *prior to class certification*, by showing, for example, the absence of a price impact." *Id.* at 484 (emphasis added). The Fifth and Third circuits agree. Pet. App. 115; *Newton* v. *Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 175-176 (3d Cir. 2001) (denying class certification where "plaintiffs' claims do not involve an omission or misrepresentation that affected the value of a security in an efficient market.") The Fund's argument that rebuttal must be made at trial, if applied, would not only waste judicial resources, but would also flatly contradict the context and reasoning of *Basic*, which established a *rebuttable* presumption of reliance as part of its review of a *class-certification* order.[9]

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[9] The Fund cites footnote *dicta* from a single appellate decision that arguably supports its view that trial is the proper time for rebuttal evidence under *Basic*. Pet. 29 (citing *In re Polymedica*, 432 F.3d at 7 n.10). As discussed *supra*, at 12-13 n.3, however, *In re Polymedica* requires district courts to undertake a stringent "market efficiency" analysis before certifying a class that appears to overlap with loss-causation analysis.

B. The Decision below is Consistent with *Stoneridge* and *Merck*.

In the course of propounding its novel interpretation of *Basic*, the Fund argues that the decision below conflicts with two other decisions of this Court. It does not.

First, the Fund half-heartedly argues that the decision below conflicts with the recitation of *Basic*'s requirements in *Stoneridge Investment Partners* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008). See Pet. 20. *Stoneridge* held that plaintiffs may not bring a securities-fraud action against third-party non-issuers who allegedly participated in a scheme to defraud where the plaintiffs did not rely on the third party's representations. The Court in *Stoneridge* affirmed the granting of a motion to dismiss, so class certification was not in issue, and the Court did not even hint at whether loss causation is a proper consideration in deciding class certification. Moreover, the non-issuer's "deceptive acts were not communicated to the public" and therefore could not possibly have caused plaintiffs' loss. *Stoneridge*, 552 U.S. at 159.

Next, the Fund contends that the decision below goes beyond requiring loss causation to requiring proof of scienter at the class-certification stage, and is therefore inconsistent with the reasoning of *Merck & Co.* v. *Reynolds*, 130 S. Ct. 1784 (2010). Pet. 24-26. That is patently incorrect. The court of appeals expressly disavowed that the Fund was required to prove scienter or intentional fraud. Pet. App. 123 n.35. Nor did the court of appeals' standard for proving loss causation "effectively requir[e]" that the Fund prove scienter. Pet. 26 n.20. The decision below simply holds that a negative disclosure that does not "reveal the truth of the previously misleading statement is insufficient to establish loss causation." Pet. App. 118. This standard

does not require a "confession" of fraud in the negative disclosure, as the Fund misreads the opinion. Pet. 25. Indeed, the court of appeals has squarely rejected the rule that "a fraud causes a loss only if the loss follows a corrective statement that specifically reveals the fraud." *Flowserve*, 572 F.3d at 230 (O'Connor, J.). And contrary to the Fund's contention, the court of appeals did not impose a "much stiffer standard" than in *Oscar Private Equity* and *Flowserve*. Pet. 11. In fact, the court extensively quoted and applied the standard set forth in those decisions. Pet. App. 117 n.17, 118 n.19, 120 n.26, 122 n.33, 125 n.37, 126-127 nn.40-41, 135 n.51. Because the Fifth Circuit did not require proof of scienter or actual fraud, the Fund is wrong to argue that the decision below is inconsistent with *Merck*. See Pet. 24-25.[10]

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[10] Besides mischaracterizing the Fifth Circuit's test for loss causation, see also, *supra*, at 21-22 n.7, the Fund rips this Court's recent decision in *Merck* from its context. The Fund deploys *Merck* for the proposition that the Fifth Circuit requires plaintiffs to prove too much before "discovery" takes place. Pet. 24. But *Merck* used the phrase "'discovery' of scienter-related facts," 130 S. Ct. at 1797, in the statute-of-limitations context to refer to the statute's provision that the limitations period starts upon "discovery" of the facts necessary to bring a claim. *Id.* at 1796 (quoting 28 U.S.C. § 1658(b)(1)). *Merck*'s recognition that the limitations period begins to run upon discovery of scienter-related facts obviously offers no support to the Fund's view that it is impossible to prove loss causation before full-blown merits discovery. In any event, despite declaring that it "would be able to establish loss causation" if only it had "full discovery," Pet. 33, the Fund cannot explain why the 600,000 pages of discovery it received was not enough to prove loss causation—a matter proved through "public data and public filings." *Oscar Private Equity*, 487 F.3d at 267. Nor does the Fund identify what additional evidence it could hope to uncover that would prove loss causation when the publicly available data conclusively establishes the contrary. See, *supra*, at 17-21.

C. The Decision below is Consistent with *Eisen* and Federal Rule of Civil Procedure 23.

The Fund also urges that the decision below conflicts with Federal Rule of Civil Procedure 23 and this Court's decision in *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156 (1974). See Pet. 33-37. It does not.

The Fund argues that the Fifth Circuit has improperly engrafted a new requirement onto Rule 23. But it was this Court that created the fraud-on-the-market presumption of reliance as one way a plaintiff may satisfy Rule 23(b)(3)'s predominance requirement. In order to invoke the presumption of reliance, the plaintiff must establish certain elements, including that the defendant made material misrepresentations that distorted the integrity of the market price. See *Basic*, 485 U.S. at 247-248. The fact that a plaintiff must make such a showing in order to avail himself of the presumption of reliance does not somehow amend Rule 23. The Fund's position goes too far and is inconsistent with *Basic*.

The Fund's assertion that loss causation is always "common" to class members and therefore is not relevant to class certification similarly rings hollow. Pet. 21. By allowing a defendant to rebut the fraud-on-the-market presumption with "[a]ny showing that severs the link" between the alleged misrepresentation and stock price, 485 U.S. at 248, *Basic* itself recognizes that an absence of loss causation destroys class certification.

In reality, the Fund is upset with *how* the Fifth Circuit interprets the required proof under *Basic*. This argument collapses into the Fund's principal contention that loss causation simply may not be considered prior to class certification. That question cannot be resolved by examining Rule 23, but only by examining *Basic* itself and the interpretive decisions of the courts of appeals. See, *supra*, at 22-25. Contrary to the Fund's claims, the

Fifth Circuit is not alone in considering loss causation "central to the certification decision." Pet. 35 (quoting *Oscar Private Equity*, 487 F.3d at 267). Both the Second and Third circuits consider loss causation prior to class certification as part of determining whether plaintiffs may invoke the presumption of reliance. See, *supra*, at 7-14. And, like the Fifth Circuit, neither of those circuits will certify a class if the preponderance of the evidence demonstrates a lack of loss causation. *Ibid.*

Nor does considering loss causation violate *Eisen*'s prohibition on "conduct[ing] a preliminary inquiry into the merits of a suit in order to determine whether it may be maintained as a class action." 417 U.S. at 177. The Fund concedes that *Eisen* permits "delving into the merits" where "necessary to determine whether the prerequisites under Rule 23 have been met." Pet. 36. Loss causation is just such a merits issue, for the Fund attempted to satisfy Rule 23(b)(3)'s predominance requirement by invoking the fraud-on-the-market presumption. The Second, Third, and Fifth circuits all agree that this required the district court to consider evidence of loss causation in the course of determining whether the Fund could utilize the presumption. See *supra*, at 7-14.[11] As *In re Salomon* explains, a district court is not prohibited from "weigh[ing] conflicting evidence and determin[ing] the existence of a Rule 23

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[11] The Fifth Circuit's decision in *Bell* v. *Ascendant Solutions, Inc.*, 422 F.3d 307 (5th Cir. 2005), does not aid the Fund. See Pet. 35. There, the court of appeals held that the plaintiff failed to satisfy *Basic*'s requirement to prove market efficiency, and therefore could not invoke the fraud-on-the-market presumption. *Id.* at 314. The court had no occasion to address loss causation. The court, moreover, *rejected* the argument urged by the Fund here, holding that *Eisen* does not prohibit placing the burden on plaintiffs to establish the *Basic* prerequisites at the class-certification stage. *Id.* at 311-314.

requirement just because that requirement is identical to an issue on the merits." 544 F.3d at 484 (quoting *In re Initial Public Offering Sec. Litig.*, 471 F.3d 24, 42 (2d Cir. 2006) (en banc)). Considering loss causation in the context of the fraud-on-the-market presumption does not entail an impermissible inquiry into the merits. The Fund identifies no court of appeals' decision holding to the contrary. See Pet. 36-37.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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PETITIONER'S BRIEF

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In the Supreme Court of the United States

ERICA P. JOHN FUND, INC., PETITIONER

v.

HALLIBURTON CO.; DAVID J. LESAR, RESPONDENTS.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

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QUESTIONS PRESENTED

1. Whether the Fifth Circuit correctly held that plaintiffs in private securities fraud actions must at class certification not only satisfy the requirements set forth in *Basic v. Levinson*, 485 U.S. 224 (1988), to trigger a rebuttable presumption of fraud on the market, but must also establish loss causation by a preponderance of admissible evidence.

2. Whether the Fifth Circuit improperly considered the merits of the underlying litigation, in violation of both *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), and Federal Rule of Civil Procedure 23, when it held that plaintiffs must establish loss causation at class certification to invoke the fraud-on-the-market presumption.

RULES 14.1(B) AND 29.6 STATEMENTS

Pursuant to Rule 14.1(b), Petitioner states that the Erica P. John Fund, Inc. was known as Archdiocese of Milwaukee Supporting Fund, Inc., until February 11, 2009 when it changed its name to honor its founder. Petitioner further states that the only parties to the proceeding whose judgment is sought to be reviewed other than the individuals and entities identified in the caption are the following individual Plaintiffs:

John Kimble
Lt. Colonel Ben Alan Murphey

Pursuant to Rule 29.6, Petitioner states that it has no parent corporation and no stock.

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OPINIONS BELOW

The opinion of the court of appeals affirming the district court's denial of class certification is reported at 597 F.3d 330. The district court's opinion denying class certification is unreported.

JURISDICTION

The judgment of the court of appeals was entered on February 12, 2010. A timely petition for a writ of certiorari was filed on May 13, 2010 and granted on January 7, 2011. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

RULES AND STATUTORY PROVISIONS INVOLVED

Federal Rule of Civil Procedure 23 is set out in the Petitioner's Appendix (Pet. App.) at 141a-49a.

INTRODUCTION

In a federal securities action, a private plaintiff must allege and ultimately prove: (1) the defendant made a material misrepresentation or omission; (2) the defendant acted with scienter; (3) a connection between the misrepresentation or omission and the purchase or sale of a security; (4) the plaintiff's reliance on the misrepresentation or omission; (5) economic loss; and (6) loss causation, *i.e.*, that defendant's misconduct proximately caused plaintiff's loss. *See Dura Pharms., Inc. v. Broudo* (*Dura*), 544 U.S. 336, 341-42 (2005).

While a plaintiff must prove those six elements to prevail at trial, in order to certify a class under Federal Rule of Civil Procedure 23, a plaintiff must only meet the requirements of Rule 23, including the requirement that common issues predominate over individual ones. Under common law understandings of fraud, reliance posed an obstacle to certification because reliance was an individual-level phenomenon: some plaintiffs would have read or heard of the misrepresentation, others would not; some would have placed weight on the misrepresentation, others might have disregarded it.

In *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), this Court adopted the fraud-on-the-market theory. Under that theory, the price of a stock incorporates "publicly available information," including "any public material misrepresentations," and an

"investor who buys or sells stock at the price set by the market does so in reliance on the integrity of the market price." *Id.* at 247. That theory allows plaintiffs, upon the requisite showing, to establish a rebuttable presumption of class-wide reliance, thereby overcoming the individual issues that would otherwise prevent certification under a common law view of reliance.

In *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.* (*Oscar*), 487 F.3d 261 (5th Cir. 2007), the Fifth Circuit held that private litigants had to establish loss causation at class certification by a preponderance of the evidence to invoke the fraud-on-the-market presumption, even though reliance and loss causation are separate and distinct elements of a securities claim and even though loss causation will typically turn on common evidence. The Fifth Circuit's holding conflicts with *Basic*, and, because it demands a merits inquiry not required by Rule 23, also conflicts with Rule 23 and *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974).

No other court agrees with the Fifth Circuit. As Chief Judge Easterbrook wrote for a unanimous panel of the Seventh Circuit, *Oscar* "represents a go-it-alone strategy." *Schleicher v. Wendt*, 618 F.3d 679, 687 (7th Cir. 2010). The judgment of the court of appeals below should be reversed.

STATEMENT OF THE CASE

A. Basic And Oscar

In *Basic*, 485 U.S. at 245-48, this Court held that courts adjudicating private securities fraud cases under Rule 10b-5, 17 C.F.R. 240.10b-5, may presume that members of a proposed class relied on the defendant's allegedly fraudulent, public misrepresentations, provided that the stock in question trades on an efficient market and plaintiffs bought or sold the stock during the relevant time period. That doctrine, establishing a rebuttable presumption of reliance, is known as the "fraud-on-the-market" theory. At the time the Court adopted the theory, all eight courts of appeal that had considered the matter had already reached the same result. *See* Brief for the Securities and Exchange Commission as Amicus Curiae, *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), 1987 U.S. S. Ct. Briefs LEXIS 1151, at *15, *21 n.24.

The Court noted that modern securities markets "differ from the face-to-face transactions contemplated by early fraud cases," and said the market serves as an intermediary between the seller and buyer. *Basic*, 485 U.S. at 243-244. The Court explained:

> An investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price.

> Because most publicly available information is reflected in market price, an investor's reliance on any public material misrepresentation, therefore, may be presumed for purposes of a Rule 10b-5 action.

Id. at 247. The Court has since affirmed its holding in *Basic* on several occasions. *See, e.g.*, *Stoneridge Inv. Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008); *Dura*, 544 U.S. at 342.

In *Oscar*, the Fifth Circuit announced a new and unprecedented requirement for plaintiffs seeking class certification in Rule 10b-5 actions. The Fifth Circuit held that a named plaintiff must establish loss causation, *i.e.*, that a defendant's wrongful conduct caused the plaintiff's injury, by "a preponderance of all admissible evidence" in order to benefit from the fraud-on-the-market presumption of reliance: "Essentially, we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption." *Oscar*, 487 F.3d at 265, 269. Judge Dennis dissented, declaring: "The majority's decision is, in effect, a breathtaking revision of securities class action procedure that eviscerates *Basic*'s fraud-on-the-market presumption, creates a split from other circuits by requiring mini-trials on the merits of cases at the class certification stage, and effectively overrules legitimately binding circuit precedents." *Id.* at 272 (Dennis, J., dissenting).

The Fifth Circuit justified placing this burden on plaintiffs at class certification partly on perceived policy considerations, noting its concern regarding the "power of the fraud-on-the-market doctrine," which, according to the court, facilitates an "extraordinary aggregation of claims," *id.* at 266-67, as well as what it characterized as the "lethal force of certifying a class of purchasers of securities enabled by the fraud-on-the-market doctrine." *Id.* at 262. The court said it could not "ignore the *in terrorem* power of certification, continuing to abide the practice of withholding until 'trial' a merit inquiry central to the certification decision, and failing to insist upon a greater showing of loss causation to sustain certification." *Id.* at 267.

Oscar relies heavily on *Greenberg v. Crossroads Systems, Inc.*, 364 F.3d 657 (5th Cir. 2004), a summary judgment opinion. There, the Fifth Circuit stated "plaintiffs cannot trigger the presumption of reliance by simply offering evidence of any decrease in price following the release of negative information." *Id.* at 665. Rather, the court held that "[t]o raise an inference through a decline in stock price that an earlier false, positive statement actually affected a stock's price, the plaintiffs must show that the false statement causing the increase was related to the statement causing the decrease." *Id.* While *Greenberg* seemingly requires proof of loss causation to establish the presumption of reliance, the conflation of loss causation and reliance at summary judgment is harmless because plaintiffs in

any event have to make a *prima facie* case as to both elements to raise a triable issue of fact.

To achieve class certification in the Fifth Circuit, the *Oscar* court held that plaintiffs must prove a corrective disclosure is "related" to the prior misstatement and that when "multiple items of negative information were released together with the corrective disclosure," plaintiffs must prove by a preponderance of the evidence "that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline in the stock price." *Oscar*, 487 F.3d at 266 (quoting *Greenberg*, 364 F.3d at 666).

The Fifth Circuit decided that loss causation must be demonstrated at class certification even though that determination precedes merits discovery. The Court claimed "[l]ittle discovery from defendants is demanded by the fraud-on-the-market regimen. Its 'proof' is drawn from public data and public filings . . . ." *Id.* at 267.

B. The Complaint

This case is a securities class action brought by the Archdiocese of Milwaukee Supporting Fund, Inc., now known for its founder as the Erica P. John Fund, Inc. ("EPJ Fund"), against the Halliburton Company and David J. Lesar ("Lesar"), its former president and chief operating officer during part of

the class period (collectively, "Halliburton" or "Defendants"). This action was brought on June 3, 2002 on behalf of all purchasers of Halliburton's common stock. The fourth amended complaint, filed on April 4, 2006, alleges that during the class period—June 3, 1999, to December 7, 2001—Defendants violated §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by deliberately falsifying Halliburton's financial results and deliberately misleading the public about: (1) its liability for asbestos claims; (2) its probability of collecting revenue on unapproved claims on fixed-price construction contracts; and (3) the benefits of its merger with Dresser Industries ("Dresser"). These allegations were challenged in defendants' motions to dismiss under FED. R. CIV. P. 12(b)(6) and upheld as sufficient to state a claim for relief.

1. Asbestos Allegations

The complaint alleges that Halliburton falsely represented that it had limited asbestos liability and sufficient capital reserves and insurance coverage for its asbestos liability. While Halliburton slowly increased its asbestos reserves during the class period from $25 million on May 15, 2000 to $125 million on November 8, 2001, USCA5 4246, 4596,[1]

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[1] References to "J.A." are to the Joint Appendix. References to "S A " are to the Supplemental Appendix. References to "Pet App." are to the Appendix submitted with the Petition for a Writ of Certiorari. References to "USCA5" are to the Record.

those reserves paled in comparison to Halliburton's asbestos liabilities. By the end of the class period, the complaint alleges that Halliburton's liability for asbestos claims exceeded $1 billion. *Id.* at 4624. In July 2002, about six months after the end of the class period, Halliburton's asbestos liabilities were at least $2.2 billion, less some "hoped for but uncertain insurance recoveries," and the company took hundreds of millions of dollars of charge-offs/losses. *Id.* at 4603. A few months later, Halliburton revealed it would pay $4 billion to settle asbestos suits/claims, resulting in a $781 million charge to earnings. *Id.*

Most of Halliburton's asbestos liability derived from claims against Harbison-Walker Refractories Company ("Harbison-Walker"), a former subsidiary of Dresser, which Halliburton acquired in 1998 for $7 billion. *Id.* at 4558. On June 28, 2001, Halliburton announced in a press release that Harbison-Walker needed financial assistance with more than 165,000 open claims pending against it, and that the net exposure to Halliburton would be $50-60 million. *Id.* at 4270. Halliburton's stock declined 4.6%. J.A. 250.[2]

On July 25, 2001, Lesar and another Halliburton executive announced during an analyst

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[2] All changes in stock price are company-specific changes after accounting for market and industry-wide changes

call regarding Halliburton's potential liability for asbestos claims against Harbison-Walker that Halliburton "potential exposure" for "this asbestos litigation" was $60 million after taxes. USCA5 4274. That figure accounted for liability for "discontinued operations," and so included both pending and potential claims against Harbison-Walker. *Id.*

In a September 4, 2001 publication, Lesar stated that the asbestos claims against Halliburton were "manageable" and that Halliburton had a "substantial amount of coverage." *Id.* at 4276. On October 23, 2001, Lesar stated "that there have been no adverse developments at all with respect to the Harbison-Walker situation." *Id.* at 4277-78. On November 8, 2001, Halliburton stated that "open asbestos claims [would] be resolved without a material adverse effect on [Halliburton's] financial position or the results of operations." *Id.* at 4596.

On December 4, 2001, Halliburton released news of several adverse verdicts against Dresser. J.A. 256a. Following a December 7, 2001 announcement of another verdict against Dresser arising out of the operations of its former subsidiary, this time for $30 million, Halliburton's stock plummeted a company-specific 42.7%. *Id.* at 259a-60a.

2. Accounting Allegations

During the class period, Halliburton also booked unapproved claim orders stemming from overages on fixed price contracts as revenue, even though it knew its customers were not likely to pay for these claims. USCA5 4562-63. Prior to mid-1997, Halliburton's customers were generally obligated to pay for cost overruns. In late 1997 Halliburton began entering into large fixed price contracts, with the risk of cost overruns largely falling on Halliburton. *Id.* at 4211. Halliburton told analysts that it would not accept or perform change orders unless the customer agreed up front to pay for the extra work, *i.e.*, it would not incur expenses on unapproved claims. *Id.* at 4222. Ultimately, these fixed price contracts resulted in significant cost overruns and delays, with customers refusing to pay millions of dollars in unapproved claims. *Id.* at 4561.

In response, Halliburton changed its accounting practices, *id.* at 4560, and began counting as revenue the amounts of unapproved claims that were supposedly "probable" of collection. *Id.* at 4562-63, 4604-05. This change in revenue recognition policy was disclosed in Halliburton's 1999 Annual Report, released on March 14, 2000. S.A. 471. There, Halliburton said: "Claims and change orders which are in the process of being negotiated with customers, for extra work or changes in the scope of work are included in revenue when collection is deemed probable." *Id.* At the same time,

Halliburton also announced that its 1998 revenues included $89 million in unapproved claims it contended were probable of collection and that its 1999 revenues included $98 million in unapproved claims. *Id.* Halliburton knew those sums were not probable of collection. USCA5 4608-09. On April 26, 2000, Halliburton released its first quarter results for 2000, which were also falsely inflated by unapproved claims that Halliburton knew were not probable of collection. *Id.* at 4246, 4611.

On October 24, 2000, Lesar announced that Halliburton would undertake a massive restructuring in light of serious operational problems, including cost overruns in its construction operations. *Id.* at 4256-57. The next day, Halliburton's stock dropped 6.6%. J.A. 229a. In a December 21, 2000 press release, Halliburton disclosed its restructuring plan would cost $120 million and released its fourth quarter earnings. *Id.* at 240a-41a; S.A. 519. According to the release, the $120 million restructuring charge was due, in part, to the fact that "negotiations with customers regarding cost increases on seven ... projects have not resulted in resolution of certain claims as originally anticipated." J.A. 242a; S.A. 520. The next day, Halliburton's stock price declined from $37.00 to $36.00, a drop of 3.9%. J.A. 245a.

3. Allegations Regarding Dresser Merger

The complaint further alleges that Halliburton knowingly misrepresented the financial impact of the Dresser acquisition, touting efficiencies it knew would not be realized. For example, on September 13, 1999, a year after the acquisition was complete, an analyst reported that Lesar said regarding the merger, that "following further headcount reductions and significant consolidations, the company is now projecting annual benefits of $500 million." USCA5 4236. However, on October 4, 1999, Halliburton announced that its third-quarter earnings would be less than previously estimated, and that the "Dresser Equipment Group business segment is now significantly underperforming Halliburton's expectations." S.A. 512-13. This news disclosed that Halliburton's previous glowing statements regarding the merger were false, and the stock declined that day by 9%. J.A. 218a.

Halliburton's 1999 Annual Report, released on March 14, 2000, said "[t]he merger with Dresser Industries is now behind us." USCA5 4241. However, on October 24, 2000, Lesar announced Halliburton would undertake a significant restructuring to address several issues, including losses stemming from the Dresser integration and cost overruns on long-term fixed price construction projects. *Id.* at 4256-57. On December 21, 2000, the company disclosed it was taking a $120 million

charge, with $25 million due to losses stemming from the Dresser acquisition and merger, and the stock fell 6.6%. S.A. 519; J.A. 229a.

C. District Court Proceedings

On May 9, 2006, Halliburton moved to dismiss the fourth amended complaint. USCA5 4907. The district court denied that motion on March 28, 2007, *id.* at 6467, and discovery began. On July 9, 2007, Lesar moved for reconsideration following this Court's ruling in *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308 (2007), regarding the heightened standard required for pleading scienter in private security cases. USCA5 6728. The district court found the complaint satisfied this heightened standard on March 18, 2008. *Id.* at 8469.

On September 17, 2007, the EPJ Fund moved to certify a class of all persons and entities who purchased or acquired common stock of Halliburton during the class period. J.A. 126a-61a. The EPJ Fund provided evidence that the proposed class met the requirements for numerosity, typicality, commonality, and adequacy, as set forth in FED. R. CIV. P. 23(a), and also satisfied the predominance requirement of FED. R. CIV. P. 23(b)(3). *Id.* at 140a-59a. The EPJ Fund invoked the fraud-on-the-market theory to show reliance, *id.* at 147a, and filed the expert report of Jane Nettesheim in support of its class certification motion, *id.* at 163a. In her report, Nettesheim concluded that the market for

Halliburton's stock was efficient, *id.* at 174a, based on her analysis of eleven different factors, the *Cammer*[3]/*Unger*[4]/*Bell*[5] factors, derived from the case law. J.A. 174a-208a. With respect to whether there was a cause and effect relationship between unexpected corporate events or financial releases and the stock price, Nettesheim concluded that the stock price reacted promptly to unexpected news, based on an event study that corrected for market and industry-wide influences through a regression analysis. *Id.* at 184a-198a. In light of *Oscar*, the EPJ Fund also provided evidence, including Nettesheim's report, that the corrective disclosures caused plaintiffs' losses. *See, e.g., id.* at 163a-329a; S.A. 581-83.

Defendants did not challenge the contention that Halliburton's stock trades on an efficient market. J.A. 330a-87a, 549a n.8. Rather, Halliburton argued that the EPJ Fund did not establish loss causation. *See, e.g., id.* at 345a, 375a. Halliburton criticized the EPJ Fund's evidence of loss causation, but did not provide contrary evidence. *See id.* at 446a-537a, 668a-777a. Halliburton never contended that proof of the class members' claims,

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[3] *Cammer v. Bloom*, 711 F. Supp. 1264 (D.N.J. 1989)

[4] *Unger v. Amedisys, Inc.*, 401 F.3d 316, 321 (5th Cir. 2005)

[5] *Bell v. Ascendent Solutions, Inc.*, 422 F.3d 307, 311 (5th Cir. 2005)

including proof of the element of loss causation, would require individualized evidence.

The district court approved the EPJ Fund as the sole class representative, and found "that the Proposed Class satisfied Federal Rule of Civil Procedure 23 as to numerosity, commonality, typicality, and adequacy of [EPJ Fund] as a class representative." Pet. App. 3a. The court denied the motion solely because it found that the EPJ Fund had failed to prove loss causation by a preponderance of the evidence, *id.* at 4a, as required by *Oscar*, 487 F.3d at 265.[6]

D. The District Court's Loss Causation Analysis

The district court admitted that the Fifth Circuit's unique requirement places an "exceedingly high burden on Plaintiffs at an early stage in the litigation," explaining that "the bar is now extremely high for all plaintiffs seeking class certification in securities litigation," but concluded that it was "bound to follow the Fifth Circuit's precedent." Pet App. 7a. Crucially, the requirement that the EPJ Fund prove loss causation was the only barrier to

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[6] Defendants also contended that the proposed class representatives, the EPJ Fund and Ben Alan Murphey, were not adequate or typical, J A 376a-87a, and filed a motion to strike Nettesheim's expert reports USCA5 7461. The court denied the motion to strike and did not approve Mr Murphey as a class representative.

class certification in this case. The court acknowledged that "[a]bsent this requirement," it "would [have] certif[ied] the class." *Id.* at 4a; *see also id.* at 54a.

The bulk of the court's 37-page opinion is devoted to its loss causation analysis. The court held that the EPJ Fund could "not establish loss causation without *proof* of a revelation of fraud by Halliburton or an indirect revelation of fraud to the market." *Id.* at 41a.[7] In addition, if non-culpable negative news was released contemporaneously with the corrective disclosure, the court held that EPJ Fund "must show that it was 'more probable than not' that the decline in stock price was caused by the corrective portion of the disclosure, rather than the new information." *Id.* at 31a. This is so, the court explained, because "[w]ith respect to mixed disclosures, the plaintiff's burden is heightened—Plaintiffs must separate actual corrective effects from effects of new negative events." *Id.* at 32a.

The court's analysis of the drop in Halliburton's stock on December 7, 2001 is illustrative. On December 4, 2001, Halliburton disclosed that a district court had entered judgment against Dresser on a $65 million Texas jury verdict and also announced three additional judgments

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[7] Unless otherwise noted, all emphasis is added, and in quotations, all internal quotations and citations are omitted.

against Dresser in the aggregate amount of $35.7 million. S.A. 509. On December 4, Halliburton's stock dropped 3.7%, and on December 5, 3.8%. J.A. 322a. Then, on December 7, 2001, Halliburton issued a press release detailing another judgment—this one a December 5, 2001, verdict against Dresser for $30 million. S.A. 531. Halliburton's stock price immediately plummeted 42.7%, dropping to $12.00 at the close of trading on December 7, 2001, from $20.85 at the close of trading on December 6. J.A. 259a-60a.

Following the December 7 press release, analysts widely reported that it was the adverse news about Halliburton's asbestos liability that drove down its stock price. The verdict announced on December 7 was the proverbial straw that broke the camel's back. One analyst wrote of "the specter of lawsuits spiraling out of control." *Id.* at 257a-58a. Another wrote: "[I]f only 1% of cases resulted in jury verdicts of a similar magnitude and the awards were upheld at the appellate level, the future liability would be significantly greater than our previous expectations." *Id.* at 259a. TheStreet.com reported: "Halliburton Buried as Investors Stopped Believing": "Halliburton's share dove to nine-year lows ... as investors lost faith in the company's claims." USCA5 4577.

However, the district court found that the EPJ Fund had not demonstrated loss causation as to Halliburton's stunning 42.7% stock price drop on

December 7 because it had not disaggregated "the corrective effect resulting from the alleged prior minimization of asbestos liabilities" from "the negative [but non-culpable] effect following the announcement of a new asbestos verdict." Pet. App. 31a.

E. The Fifth Circuit's Opinion

In its FED. R. CIV. P. 23(f) petition,[8] the EPJ Fund stated that the decision denying class certification was likely "dispositive of the litigation, as it is prohibitively expensive for [EPJ Fund] to proceed to final judgment on its individual claims." *Id.* at 77a-78a. Halliburton agreed. *Id.* at 93a, 106a. On December 18, 2008, the Fifth Circuit Court of Appeals accepted the appeal. *Id.* at 108a.

The Fifth Circuit subsequently affirmed the district court's denial of class certification, noting that the EPJ Fund had argued that *Oscar* was contrary to Supreme Court precedent and responding, "Plaintiff may not assail *Oscar* as wrongly decided, as we are bound by the panel decision." *Id.* at 122a, 113a n.2.

Citing *Oscar*, the Fifth Circuit held that to invoke the fraud-on-the-market presumption at the class certification stage, the EPJ Fund had to prove

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[8] This case has been stayed since the district court denied class certification. Pet. App. 109a, 139a.

loss causation by a preponderance of the evidence: "In order to obtain class certification on its claims, Plaintiff was required to prove loss causation, i.e., that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in the losses." *Id.* at 113a; *see also id.* at 115a ("Plaintiff must show that an alleged misstatement 'actually moved the market.'"). The court explained that "[t]his showing of loss causation is a 'rigorous process' and requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement." *Id.* at 130a.

The Fifth Circuit also held that the plaintiff must show that the "corrective disclosure causing the decrease in price is *related* to the false, non-confirmatory positive statement made earlier, and . . . that it is *more probable than not* that it was this related corrective disclosure, and not any other unrelated negative statement, that caused the stock price decline." *Id.* at 119a-120a (emphasis in original). In addition, the "plaintiffs must prove the corrective disclosure shows the *misleading or deceptive nature* of the prior positive statements." *Id.* at 121a. The corrective disclosure must show the prior misrepresentations or omissions "were *designed to defraud*." *Id.* at 122a.

The court further held that "if a company releases multiple items of negative information on

the same day, the plaintiff must establish a reasonable likelihood that a subsequent decline in stock price is due to the revelation of the truth of the earlier misstatement rather than the release of the unrelated negative information." *Id.* at 117a-118a. The court explained that the plaintiff had to rule out possible, non-culpable explanations for the stock drop, stating it was the plaintiff's burden to show "the subsequent loss could not otherwise be explained by some additional factors revealed then to the market." *Id.* at 118a.

In its analysis, the Fifth Circuit held that EPJ Fund failed to establish loss causation as to Halliburton's statement regarding asbestos liability, *id.* at 124a-29a, its accounting for revenue on unapproved claims, *id.* at 132a-36a, or its projections regarding the benefits of its merger with Dresser, *id.* at 129a-32a. The court found either that the corrective disclosures did not reveal the fraud or that EPJ Fund failed to disaggregate the effect of simultaneously released culpable, negative news and non-culpable, negative news. *See, e.g., id.* at 15a, 19a, 23a, 26a, 29a, 31a, 36a, 41a, 48a, 52a-53a, 125a-135a.

For instance, the court held that Halliburton's June 28, 2001 announcement that Harbison-Walker, Dresser's former subsidiary, needed financial assistance because of its asbestos liability did not constitute a corrective disclosure even though Halliburton announced the news as unexpected, S.A.

523, and the complaint alleged Halliburton knew throughout the class period that Harbison-Walker would need financial assistance. USCA5 4575. The court said: "we can discern no indication from the June 28, 2001 press release that Halliburton's prior asbestos reserve estimates were misleading or deceptive." Pet. App. 126a-127a.

Similarly, the court found that the EPJ Fund had not established loss causation as to Halliburton's December 21, 2000 announcement that it was taking a charge due to restructuring because the EPJ Fund had failed to separate the effects of culpable and non-culpable news. *Id.* at 134a. On that day, Halliburton announced that it was taking a $95 million write off on primarily "project specific matters," and stated that the charge was due in part to the fact that "negotiations with customers regarding cost increases on seven . . . projects have not resulted in resolution of certain claims as originally anticipated." S.A. 520. That announcement suggested that contrary to its prior assertion, *id.* at 471, Halliburton had booked as revenue cost overruns and charges that were not probable of collection. Halliburton also attributed the charge to "the poor near term market outlook for downstream engineering and construction business," *id.* at 519, and the court found the EPJ Fund had failed to parse out the effect of that downturn, Pet. App. 134a-35a, even though EPJ Fund's expert adjusted for industry wide factors in her event study.

The court specifically noted that the "parties do not dispute . . . the efficiency of the market." *Id.* at 115a. The sole basis for the court's ruling was its holding that the EPJ Fund failed to establish loss causation. *Id.* at 136a.

F. The Petition For A Writ Of Certiorari

EPJ Fund filed a timely petition for a writ of certiorari on May 13, 2010. On October 4, 2010, this Court invited the Acting Solicitor General to express the view of the United States. On December 3, 2010, the Acting Solicitor General filed a petition recommending that the Court grant certiorari and also stating that Fifth Circuit opinion erred, *inter alia*, by considering loss causation at the class-certification stage without relating that inquiry to the Rule 23 requirements. This court granted the petition on January 7, 2011.

SUMMARY OF ARGUMENT

In *Oscar*, the Fifth Circuit held that securities fraud plaintiffs must prove loss causation, *i.e.*, that a defendant's alleged misrepresentations are the proximate cause of their economic loss, at class certification in order to invoke the fraud-on-the-market presumption. The issue in this case is not *whether* plaintiffs must establish loss causation but rather *when* they must do so, and whether it is proper to require proof of loss causation at class certification, even when loss causation turns on common evidence. The Fifth Circuit's unique

holding that plaintiffs must to do so at class certification conflicts with *Basic*, *Eisen v. Carlisle Jacqueline*, 417 U.S. 156 (1974), and Federal Rule of Civil Procedure 23.

The Fifth Circuit's requirement nullifies the fraud-on-the-market presumption this Court established in *Basic* by imposing an additional and substantial prerequisite for invoking the presumption. As the Second Circuit held, such a requirement is "a misreading of *Basic*," because "plaintiffs do not bear the burden of showing an impact on price." *In re Salomon Analyst Metromedia Litig.* (*Salomon*), 544 F.3d 474, 481-83 (2d Cir. 2008). The Fifth Circuit ruling also conflicts with *Basic* by holding that the presumption is rebuttable at class certification, when this Court found it was rebuttable at trial. *See Basic*, 485 U.S. at 249 n.29.

The fraud-on-the-market presumption affords plaintiffs a rebuttable presumption of reliance on a class-wide basis, thereby helping establish that common issues—not individualized ones—predominate. Plaintiffs need not establish loss causation, a separate and distinct element of their cause of action, to invoke the fraud-on-the-market presumption. As Chief Judge Easterbrook, writing for the Seventh Circuit in *Schleicher v. Wendt*, 618 F.3d at 679, 687 (7th Cir. 2010), and the Acting Solicitor General's invitation brief both correctly conclude, loss causation is relevant at class

certification only for the predominance inquiry—not for establishing reliance—and then, the only issue is whether proof of loss causation turns on common or individual evidence. Because loss causation focuses on the market's reaction to information and on defendants' conduct, it generally turns on common evidence, as Respondents themselves admit in their supplemental brief at the petition stage. Accordingly, there is no justification for requiring plaintiffs to prove loss causation at class certification.

The Fifth Circuit's holding also violates both *Eisen* and Rule 23, as *Schleicher* and the Acting Solicitor General's brief state, because *Oscar* requires a premature merits inquiry. The proper analysis under Rule 23(b)(3) is how the putative class members will attempt to prove their case—not whether they will ultimately succeed. *See Eisen*, 417 U.S. at 178. Defendants are afforded three opportunities to test the merits of loss causation: a motion to dismiss, summary judgment and trial. The Fifth Circuit cannot unilaterally re-write Rule 23 to provide a fourth opportunity at class certification. The text of Rule 23 and this Court's precedent foreclose that approach.

The Fifth Circuit's rule further compounds the prejudice to plaintiffs by requiring a merits determination without merits discovery. The Fifth Circuit held that "plaintiffs must prove the corrective disclosure shows *the misleading or*

deceptive nature of the prior positive statements" and that "the corrective disclosure more probably than not shows that the original estimates or predictions were *designed to defraud*." Pet. App. 121a-122a. That test effectively requires plaintiffs to establish scienter, and to do so through defendants' corrective disclosures alone. Even at trial, when plaintiffs must prove scienter, they are not limited to doing so through defendants' corrective disclosures alone.

The Fifth Circuit ruling also deprives plaintiffs of their Seventh Amendment right to a jury trial by directing courts to deny certification if plaintiffs fail to establish loss causation by a preponderance of the evidence. In so doing, the Fifth Circuit imposes a higher standard at class certification than pertains at summary judgment, and requires courts to make a merits determination that is not part of their proper role as a gatekeeper to class certification under Rule 23.

Not surprisingly, other courts have uniformly rejected *Oscar*, which, as the Seventh Circuit noted, represents a "go-it-alone strategy," *Schleicher*, 618 F.3d at 687, which this Court should foreclose.

ARGUMENT

A. The Fifth Circuit's Rule Requiring Proof Of Loss Causation At Class Certification Conflicts With This Court's Ruling In *Basic*

There can be no dispute that the Fifth Circuit "require[s] plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption." Pet. App. 115a (quoting *Oscar*, 487 F.3d at 265).[9] While the Fifth Circuit claimed its new requirement stemmed from this Court's opinion in *Basic*, that assertion is simply wrong. Nowhere does this Court's decision in *Basic* require proof of loss causation at the class certification stage. Rather, in *Basic*, this Court held a plaintiff may invoke the fraud-on-the-market presumption provided defendants made public misrepresentations, the company's stock traded in an efficient market, and plaintiffs traded shares after the misrepresentation and before the truth was revealed. *See Basic*, 485 U.S. at 241-42, 247-48. This Court has repeatedly reaffirmed its holding. In *Stoneridge Inv. Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008), the Court described and reaffirmed its holding in *Basic*: "[U]nder the fraud-

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[9] *See also Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 227-28 (5th Cir. 2009); *Fener v. Operating Eng'rs Constr. Indus. & Misc. Pension Fund (Local 66)*, 579 F.3d 401, 408 (5th Cir. 2009); *Oscar*, 487 F.3d at 269.

on-the-market doctrine, reliance is presumed when the statements at issue become public. The public information is reflected in the market price of the security. Then it can be assumed that an investor who buys or sells stock at the market price relies upon the statement." 552 U.S. at 159; *see also Musick, Peeler & Garrett v. Emp'rs Ins. of Wausau*, 508 U.S. 286, 295 (1993) (citing *Basic* for proposition that 10b-5 action has a "reliance requirement").

In *Dura*, 544 U.S. at 341-42, this Court reaffirmed *Basic* and confirmed that reliance and loss causation are separate and distinct elements of a 10b-5 cause of action. Reliance, often referred to as transaction causation, addresses why a plaintiff bought or sold a stock, while loss causation analyzes the proximate cause of plaintiff's injury. The Court also held that plaintiffs must establish loss causation in order to prevail on the merits of a 10b-5 action, stating:[10]

> In cases involving publicly traded securities and purchases or sales in public securities markets, the action's basic elements include ... (4) reliance,

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[10] Section 78u-4(b)(4) of the Private Securities Litigation Reform Act of 1995 (PSLRA), 15 U.S.C. § 78u-4 *et seq.*, states "In any private action . . . the plaintiff shall have the burden of proving that the act or omission of the defendant alleged to violate this chapter caused the loss for which the plaintiff seeks to recover damages."

> often referred to in cases involving public securities markets (fraud-on-the-market cases) as 'transaction causation,' *see Basic, supra*, at 248-49, 485 U.S. 224, 108 S. Ct. 978, 99 L.Ed.2d 194 (nonconclusively presuming that the price of a publicly traded share reflects a material misrepresentation and that plaintiffs have relied upon that misrepresentation as long as they would not have bought the share in its absence); ... and (6) 'loss causation,' i.e., a causal connection between the misrepresentation and the loss.

Neither in *Dura* nor any other case has this Court held that loss causation constitutes a prerequisite for invoking the fraud-on-the-market presumption.

The lower courts have repeatedly recognized the conflict between *Basic* and *Oscar*. The Seventh Circuit, in a unanimous opinion written by Chief Judge Easterbrook, held that *Oscar*, in conflict with *Basic*, requires plaintiffs to "prove everything (except falsity) required to win on the merits" before a class could be certified. *Schleicher*, 681 F.3d at 683. Imposing such a standard, the court noted, "would make certification impossible in many securities cases." *Id.* at 686.[11]

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[11] Accordingly, the issue in this case is not, as Respondents contend, "whether certain meritless class actions should be

In *Salomon*, defendants argued that "the district court erred by not placing the burden on plaintiffs to prove that the alleged misrepresentations [by analysts] 'moved the market,' i.e., had a measurable effect on the stock price." 544 F.3d at 482. The Second Circuit rejected that argument because "plaintiffs do not bear the burden of showing an impact on price." *Id.* at 483. The court ruled that defendants' argument was "a misreading of *Basic*," *id.* at 482, and held that the requirements outlined in *Basic* are "all that is needed to warrant the presumption," *id.* at 481. According to the court, "[t]he point of *Basic* is that an effect on market price is *presumed* based on the materiality of the information and a well-developed market's ability to readily incorporate that information into the price of securities." *Id.* (emphasis in original).

Every district court outside of the Fifth Circuit that has addressed the holding in *Oscar* has declined to adopt it. *Oscar* has been rejected, disagreed with, distinguished, or simply not followed by district courts in the First, Second, Fourth, Sixth, Ninth, Tenth, and Eleventh circuits. *See* Pet. at 15-17.

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certified." Respondents' Supplemental Brief at 5, *Erica P John Fund, Inc., fka Archdiocese of Milwaukee Supporting Fund, Inc. v Halliburton Co.*, No 09-1403 (Dec 14, 2010) (Respondents' Supplemental Brief).

1. *Basic* Did Not Grant The Fifth Circuit Discretion To Develop Its Own Fraud-On-The-Market Jurisprudence

In *Oscar*, the Fifth Circuit claimed *Basic* "'allows each of the circuits room to develop its own fraud-on-the-market rules.'" *Oscar*, 487 F.3d at 264. That approach is at odds with the principal that federal statutes should be uniformly interpreted and applied—a standard this Court has long striven to uphold. *See Williams v. Taylor*, 529 U.S. 362, 389-90 (2000) ("well-recognized interest in ensuring that federal courts interpret federal law in a uniform way"); *Mississippi Band of Choctaw Indians v. Holyfield*, 490 U.S. 30, 43 (1989) ("federal statutes are generally intended to have uniform nationwide application").

Neither *Basic* nor any other opinion of this Court grants the Fifth Circuit *carte blanche* to "tighten" the requirements for invoking the fraud-on-the-market presumption, which Congress has never seen fit to do in the more than twenty years since *Basic* was decided. *See Schleicher*, 618 F.3d at 686 ("Unlike the fifth circuit, we do not understand *Basic* to license each court of appeals to set up its own criteria for certification of securities class actions or to 'tighten' Rule 23's requirements.").

2. Placing The Burden On Plaintiffs To Establish Loss Causation Negates The Presumption Of Reliance Established in *Basic*

Basic established a rebuttable presumption of class-wide reliance on defendants' public, allegedly fraudulent misrepresentations (or omissions), provided that the stock trades in an efficient market and plaintiffs bought or sold the stock between the time of the statement and corrective disclosure. *Basic*, 486 U.S. at 241-42, 246-47. The *Oscar* court adds an additional and substantial prerequisite: proof of loss causation. The *Oscar* court declared that it was not "improperly shift[ing] the burden, from a defendant's right of rebuttal to a plaintiff's burden of proof" because, "[a]s a matter of practice, the oft-chosen defensive move is to make '*any* showing that severs the link' between the misrepresentation and the plaintiff's loss; to do so rebuts on arrival the plaintiff's fraud-on-the-market theory." 487 F.3d at 265 (emphasis in original). That contention is wrong for several reasons.

First, the Fifth Circuit's ruling negates the presumption established by this Court in *Basic* without requiring any contrary showing by defendants. Instead of putting defendants to the task of rebutting the fraud-on-the-market presumption, the Fifth Circuit's rule immediately places the burden on plaintiffs to prove loss causation, thereby eviscerating the holding in *Basic*

and rendering the fraud-on-the-market presumption dead on arrival. *See id.* at 276 (Dennis, J., dissenting) ("Under the majority's approach, *Basic*'s fraud on the market presumption is essentially a dead letter, little more than a quaint reminder of earlier times. . . .").

Requiring proof of loss causation to establish reliance "subverts the fraud-on-the-market presumption by requiring the plaintiffs to prove, as a precondition to the application of the presumption, the very facts that are to be presumed under *Basic* (*i.e.*, that the defendant's material misrepresentation was reflected in the stock price)." *Id.* at 274 (Dennis J., dissenting). Thus, the Fifth Circuit rule essentially eliminates the presumption in contravention of *Basic*, where this Court said: "Because most publicly available information is reflected in market price, an investor's reliance on any public material misrepresentations, therefore, may be *presumed* for purposes of a Rule 10b-5 action." *Basic*, 485 U.S. at 247; *see id.* ("[W]here materially misleading statements have been disseminated into an impersonal, well-developed market for securities, the reliance of individual plaintiffs on the integrity of the market price may be *presumed*.").

Second, by nullifying the presumption, the Fifth Circuit also undermines the reasons the Court gave in *Basic* for adopting the presumption. This Court held that presumptions are useful when

"direct proof" is "difficult", adding that "[r]equiring a plaintiff to show a speculative state of facts, *i.e.*, how he would have acted if omitted material information had been disclosed, or if the misrepresentation had not been made, would place an unnecessarily unrealistic evidentiary burden on the Rule 10b-5 plaintiff who has traded on an impersonal market." *Id.* at 245. But, contrary to this Court's decision, the Fifth Circuit used the presumption to impose an additional and "exceedingly high burden" on plaintiffs seeking class certification. Pet. App. 71. In *Basic*, this Court explained that the presumption furthered Congress' intent in enacting the 1934 Act: "In drafting that Act, Congress expressly relied on the premise that securities markets are affected by information, and enacted legislation to facilitate an investor's reliance on the integrity of those markets." *Basic*, 485 U.S. at 245-46. The Fifth Circuit's rule, however undermines investor reliance on the integrity of the market because it established an additional and unnecessary hurdle before an investor may bring an action in reliance on the integrity of the market. In *Basic*, this Court said that the presumption is "supported by common sense and *probability*," noting that "[r]ecent empirical studies have tended to confirm Congress' premise that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations." *Id.* at 246. By contrast, in substituting its judgment for that of this Court, the Fifth Circuit required near economic certainty before

the presumption applies: proof established by a preponderance of the evidence that any drop in the stock price in a specific case was due to a corrective disclosure.

Third, while defendants can challenge at class certification plaintiffs' evidence of market efficiency, *Basic* establishes that the proper time to rebut the presumption of reliance itself—a quintessential merits issue—is at *trial*, *not* class certification: "Proof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate." *Id.* at 249 n.29; *see also In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 7 n.10 (1st Cir. 2005) ("defendant may still rebut this presumption at trial"); *Kaplan v. Rose*, 49 F.3d 1363, 1378 n.3 (9th Cir. 1994) ("the ultimate resolution of this question is an issue for trial").

Fourth, even assuming the presumption could be rebutted at class certification, which is contrary to *Basic*, the presumption does not dissolve in the face of any contrary evidence, as the Fifth Circuit suggests. Rather, any contrary showing must be sufficient to undermine the presumption or, in the words of this Court, to "sever[]" it. *Basic*, 485 U.S. at 248. As this Court said: "Any showing that *severs* the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price, will be sufficient to rebut the presumption of reliance." *Id.*

This Court placed the burden of both production and persuasion on defendants, stating that the presumption could be rebutted if defendants "could show . . . the market price *would not have been affected* by their misrepresentations." *Id.* at 248. This Court reinforced this point by its reference to the commentary to Rule 301 of the Federal Rules of Evidence, which states in pertinent part: "Presumptions governed by this rule are given the effect of placing upon the opposing party the burden of establishing the nonexistence of the presumed fact, once the party invoking the presumption establishes the basic facts giving rise to it." FED. R. EVID. 301 advisory committee's note.[12]

Under FED. R. EVID. 301, if the defendant meets its "burden of going forward with evidence to rebut or meet the presumption," then the trier of fact must determine whether the plaintiff has met its burden of persuasion. That determination is a classic merits inquiry and has no bearing on class certification.[13]

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[12] *See also ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 149 (2d Cir. 2007); 21B CHARLES ALAN WRIGHT & KENNETH W. GRAHAM, JR., FEDERAL PRACTICE AND PROCEDURE § 5126 (2d ed. 2010); JACK B. WEINSTEIN & MARGARET A. BERGER, WEINSTEIN'S FEDERAL EVIDENCE § 301.02[3][c] (2d ed. 2006).

[13] The Fifth Circuit also justified its requirement by reference to a theoretical possibility that the market for a given security might be inefficient or strong-form efficient with respect to a particular type of information. *Oscar*, 487 F.3d at 269-70.

Because it will be a rare case in which defendants cannot present some contrary evidence, a presumption that dissolves in the face of any contrary evidence would be essentially the same as no presumption at all. *See Oscar*, 487 F.3d at 274 (Dennis, J. dissenting) ("[I]n the majority's view, the *Basic* presumption evaporates as soon as a defendant simply introduces a mere possibility the defendant's material misrepresentation might not have affected the market price."). Thus, under the Fifth Circuit's interpretation, the presumption established by *Basic* becomes virtually pointless, contrary to this Court's reasoning in *Basic*. *See Basic*, 485 U.S. at 245 ("Presumptions typically serve to assist courts in managing circumstances in which direct proof, for one reason or another, is rendered difficult."); *id.* ("[P]resumptions are also useful devices for allocating the burdens of proof between parties."); *see also U.S. Dep't of Justice v. Landano*, 508 U.S. 165, 175 (1993).

That theoretical possibility does not justify negating the presumption, which is grounded in "probability," *see Basic*, 485 U.S. at 246, not certainty

3. There Is No Justification For Requiring Proof Of Loss Causation To Trigger The Fraud-On-The-Market Presumption

The Fifth Circuit fails to explain why proof of loss causation is necessary to trigger the fraud-on-the-market presumption or is otherwise necessary at class certification.

The presumption of class-wide reliance on the market price is relevant at class certification only for determining whether plaintiffs can establish reliance through common evidence and so whether common issues predominate for purposes of FED. R. CIV. P. 23(b)(3). *See Basic*, 485 U.S. at 228. The existence of an efficient market establishes a presumption of class-wide reliance based on common facts and avoids the need for a class member by class member analysis of reliance on particular misrepresentations.

Loss causation is distinct from reliance and is not a prerequisite for establishing the fraud-on-the-market presumption. In *Basic*, this Court affirmed the trial court's class certification order, which was based on the fraud-on-the-market presumption, even though the plaintiff in that case did not establish loss causation at class certification. *See Basic*, 485 U.S. at 228, 250. Unlike reliance, loss causation is normally a matter determined by common facts and should not be an issue at class certification. When

loss causation rests on common evidence, as is usually the case and as is the case here, loss causation is purely a merits inquiry that should be addressed at summary judgment or at trial:

> After a class has been certified, and other elements of the claim have been established, the court will need to pin down when the stock's price was affected by any fraud. That decision, like the other issues, can be made on a class-wide basis, because it affects investors in common. It gets the cart before the horse to insist that it be made before any class can be certified.

Schleicher, 618 F.3d at 687 (emphasis in original); *see also In re Initial Pub. Offering Sec. Litig.*, 260 F.R.D. 81, 106 n.214 (S.D.N.Y. 2009.) ("It is sufficient [at class certification] for plaintiffs to prove only that loss causation can be shown on a class-wide basis."); Brief for the United States as Amicus Curiae [U.S. Invitation Br.] at 9, *Erica P. John Fund, Inc., fka Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, No. 09-1403 (Dec. 3, 2010) ("[T]he only relevant question at the class-certification stage is whether resolution of the loss-causation issue can be expected to turn on proof that is common to class members generally."); John C. Coffee Jr., *Securities Litigation: The Year Ahead*, 245 N.Y.L.J. 5 (Jan. 20, 2011) ("loss causation relates to the efficient market's reaction to the

corrective disclosure; this is really a common issue, rather than an individual issue"); Donald C. Langevoort, *Basic at Twenty: Rethinking Fraud On The Market*, 2009 WIS. L. REV. 151, 162 (2009) ("Plainly, showing market impact is the plaintiff's burden on the merits, but it is unclear why this should be a class-certification issue: marketplace impact is an issue common to the class rather than anything having to do with individualized reliance or nonreliance.").

4. Loss Causation Is Not A Test Of The Applicability Of The Fraud-On-The-Market Presumption Or Of Price Distortion At The Time Of A Misrepresentation Or Omission

The Fifth Circuit erroneously concluded that plaintiffs who cannot establish loss causation at class certification are not entitled to invoke the fraud-on-the-market presumption. Not only does that conclusion conflict with this Court's ruling in *Basic*, it also rests on a misunderstanding of the relationship between reliance and loss causation.

To begin with, applicability of the fraud-on-the-market-presumption turns on whether the market is efficient, not on whether plaintiffs can establish loss causation. "[N]early every court that has considered the proposition has concluded that where materially misleading statements have been

disseminated into an impersonal, well-developed market for securities, the reliance of individual plaintiffs on the integrity of the market price may be *presumed*." *Basic*, 485 U.S. at 247; *see also Salomon*, 544 F.3d at 481 ("The point of *Basic* is that an effect on market price is *presumed* based on the materiality of the information and a well-developed market's ability to readily incorporate that information into the price of securities.") (emphasis in original). And while plaintiffs cannot recover for misrepresentations that did not affect the market price, whether or not a misrepresentation affected the stock price—either by inflating the price or keeping the price from falling—is a merits analysis not relevant to the Rule 23 analysis. As the Seventh Circuit said, "[i]t is possible to certify a class under Rule 23(b)(3) even though all statements turn out to have only trivial effect on prices. Certification is appropriate but the class will lose on the merits." *Schleicher*, 618 F.3d at 685.[14]

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[14] In a unanimous ruling, this Court defined materiality as information that would be important, in the total mix of information, to a reasonable investor. *Basic*, 485 U.S. at 231-32 ("[T]o fulfill the materiality requirement 'there must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the total mix of information made available.'"), *id.* at 250 (White, J., concurring in part and dissenting in part) ("I agree that the standard of materiality we set forth in *TISC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 449, 96 S. Ct. 2126, 2132, 48 L.Ed. 2d 757 (1976), should be applied to actions under §10(b) and Rule 10b-5."). The Court

Moreover, because reliance and loss causation are distinct concepts, whether plaintiffs can establish reliance does not depend on whether they can establish loss causation. For instance, plaintiffs cannot necessarily establish loss causation even as to a misrepresentation (or omission) that unquestionably inflated the price of the stock (or kept the price from falling). This is because an intervening cause could have removed the price inflation before the corrective disclosure was made, thereby breaking the causal link between misrepresentation and corrective disclosure. Under the fraud-on-the-market theory of reliance endorsed by this Court in *Basic*, plaintiffs are entitled to a rebuttable presumption that they relied on the

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eschewed any bright line rule and instead selected a fact-based test. *See id.* at 236 ("Any approach that designates a single fact or occurrence as always determinative of an inherently fact specific finding such as materiality, must necessarily be overinclusive or underinclusive"); *see also Virginia Bankshares, Inc v. Sandberg*, 501 U.S. 1083, 1097 (1991) (materiality depends on what is "significant enough to be important to a reasonable investor"); *see also TISC Indus.*, 426 U.S. at 450 ("The determination [of materiality] requires delicate assessments of the inferences a 'reasonable shareholder' would draw from a given set of facts and the significance of those inferences to him, and these assessments are peculiarly ones for the trier of fact.")

integrity of the market price and indirectly on the misrepresentations (or omissions) that were incorporated into the market price *when those misrepresentations were made*. Loss causation, by contrast, largely depends on what happens to the stock price at the time of the corrective disclosure.

This Court made that very point in *Dura* when it struck down the Ninth Circuit's rule that loss causation was demonstrated by showing that "the price *on the date of purchase* was inflated because of the misrepresentation." 544 U.S. at 342 (emphasis in original). The Court held that the Ninth Circuit's "statement of the law is wrong" since "[n]ormally, in cases such as this one (*i.e.*, fraud-on-the-market cases), an inflated purchase price will not itself constitute or proximately cause the relevant economic loss." *Id.* As the Court explained, price distortion at the time of the misrepresentation or omission is not the determining factor in establishing loss causation. *See id.* at 342-43. "[A]s a matter of pure logic, at the moment the transaction takes place, the plaintiff has suffered no loss; the inflated purchase payment is offset by ownership of a share that *at that instant* possesses equivalent value." *Id.* at 342. The Court explained that assuming the plaintiff later sells its stock for a loss, the key for loss causation is determining the cause of that loss. "[T]hat lower price may reflect, not the earlier misrepresentation, but changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or

other events, which taken separately or together account for some or all of that lower price." *Id.* at 343.

In *Schleicher*, the Seventh Circuit also demonstrated that a plaintiff's inability to prove loss causation at class certification does not mean that the price of the stock was not inflated by a misrepresentation or that some class members were not injured. 618 F.3d at 686-87. In the court's example, a lie on September 1 boosted the stock's price by $1, and by October 1 professional investors had discounted the issuer's statement as false, and the stock quickly lost the $1 gained because of the fraud. *Id.* at 687. The court noted that if the issuer made a corrective disclosure on November 1, the stock price would not move. *Id.* In the Seventh Circuit's example, depriving plaintiffs of the fraud-on-the-market presumption because they could not prove at class certification that the truth leaked out prior to the defendant's known corrective disclosure would lead to the denial of certification and an unjust result. Rather, the court said that "[a]fter a class has been certified, and other elements of the claim have been established, the court will need to pin down *when* the stock's price was affected by any fraud." *Id.* (emphasis in original); *see also* U.S. Invitation Br. at 20 n.3 (discussing footnote 29 in *Basic* and stating: "That analysis suggests that, if the evidence ultimately demonstrates that the distortive effect of a defendant's misstatements was cured as of a particular date, a class certification

order may be amended to exclude class members who purchased or sold shares after that date.").

As a result, even if *Basic* were read to permit an analysis of initial price distortion as part of the class certification inquiry, affirmative proof of loss causation should not be required at that stage. The Second Circuit's ruling in *Salomon*, which permits a defendant to rebut the presumption of reliance by showing there was no price distortion in the first place, is not to the contrary. *See Salomon*, 544 F.3d at 483 ("[T]he burden of showing that there was no price impact is properly placed on defendants at the rebuttal stage."). Any such "price impact" would have occurred at the time of the misstatement or omission. Loss causation, by contrast, concerns whether a subsequent corrective disclosure caused plaintiffs' loss. Thus, the Second Circuit does not permit a defendant to rebut the fraud-on-the-market presumption by showing a lack of loss causation, as Halliburton contends, Respondents' Supplemental Brief at 2-3, let alone require affirmative proof of loss causation from the plaintiff.

Moreover, the Second Circuit ruling is misguided. *Basic* held that plaintiffs may establish reliance on a class-wide basis and satisfy the predominance requirement of Rule 23 by establishing that the stock traded on an efficient market, provided the defendants made public misrepresentations and plaintiffs bought or sold the stock during the relevant interval. *Basic* did not

hold that plaintiffs must prove at class certification that reliance in fact took place—that question is for trial. Therefore, there is no reason to give the defendant an opportunity at class certification to rebut an element—actual reliance—which plaintiffs do not have to prove until trial. Any contention to the contrary rests on a confusion and conflation of the requirements for class certification and for ultimately prevailing on the merits.

B. The Fifth Circuit's Rule Imposes An Improper And Premature Merits Inquiry In Violation Of *Eisen* And Federal Rule Of Civil Procedure 23

To certify a class, plaintiffs must demonstrate that they satisfy the prerequisites of FED. R. CIV. P. 23(a): numerosity, commonality, typicality and adequacy. In damage actions, plaintiffs must also demonstrate that "questions of law or fact common to class members predominate over any questions affecting only individual members." Pet. App. 142a. Provided these requirements are met, the class should be certified. *See Shady Grove Orthopedic Assocs., P.A. v. Allstate Ins. Co.*, 130 S. Ct. 1431, 1437 (2010) (Rule 23 "[b]y its terms . . . creates a categorical rule entitling a plaintiff whose suit meets the specified criteria to pursue his claim as a class action").

In the Fifth Circuit alone, for a damages case brought under federal securities laws, plaintiffs

must also demonstrate loss causation. By imposing that added requirement, which the Fifth Circuit admits entails a "merit inquiry," *Oscar*, 487 F.3d at 267, the Fifth Circuit ruling conflicts with Rule 23 and *Eisen*, where this Court held that "nothing in either the language or history of Rule 23 . . . gives a court any authority to conduct a preliminary inquiry into the merits of a suit in order to determine whether it may be maintained as a class action." 417 U.S. at 177. While *Eisen* was initially construed as a blanket prohibition against consideration of the merits of the underlying claims at class certification, courts have since interpreted *Eisen* to prohibit examination of the merits except insofar as necessary to determine whether the Rule 23 prerequisites have been met. *See, e.g., In re Initial Pub. Sec. Offerings Litig.*, 471 F.3d 24, 41 (2d Cir. 2006) ("[A] district judge should not assess any aspect of the merits unrelated to a Rule 23 requirement. . . .").

The issue here is not whether plaintiffs must establish loss causation by a preponderance of the evidence. They must—at trial. The issue is whether they must also do so, without merits discovery, at class certification, even though the Fifth Circuit has not tied that requirement to Rule 23. *See Eisen*, 417 U.S. at 178 ("In determining the propriety of a class action, the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met.").

Trial courts must make a rigorous determination of whether the FED. R. CIV. P. 23 prerequisites are satisfied. In cases involving the fraud-on-the-market presumption, that means determining whether plaintiffs have met the requirements for invoking the presumption, in particular by showing that the market in question is efficient, because that is crucial to showing common issues predominate.[15] Plaintiffs, however, do not have to demonstrate at class certification that they are likely to prevail on the merits as to any element of their cause of action, including reliance and loss causation. Just as antitrust plaintiffs must establish at class certification that their claim of class-wide injury depends on common evidence, but not that they will prevail on the merits in showing injury, federal securities plaintiffs must establish for certification that their claim of class-wide reliance rests on common evidence, not that their reliance claim will ultimately prove successful. *See In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 311-12 (3d Cir. 2008) ("Plaintiffs' burden at the class certification stage is not to prove the element of antitrust-impact," but only "to demonstrate that the element of antitrust impact is capable of proof at

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[15] Following *Basic*, courts find individual issues predominate when plaintiffs cannot demonstrate market efficiency. *See, e.g., In re Initial Pub. Offering Sec. Litig.*, 471 F.3d 24 (shares of initial public offerings cannot trade on an efficient market), *Binder v. Gellepsie*, 184 F.3d 1059 (9th Cir. 1999) (securities traded over the counter or on "pink sheets").

trial through evidence that is common to the class rather than individual to its members").

Under Rule 23, certification of a class is proper—provided the other prerequisites are met, as they were in this case—when common issues predominate. A plaintiff proves loss causation by showing that the corrective disclosure, and not some other event, caused the decline in the stock price. Facts necessary for such proof are usually general; they do not depend on how particular investors behave or what they believe. Neither court below stated that establishing loss causation (or its absence) required an individualized inquiry and could not be established through common evidence. Even assuming that whether a particular misstatement or omission moved the stock price were relevant to the application of the fraud-on-the-market presumption—which it is not—the Fifth Circuit's approach is flawed because that question will turn on evidence common to all members of the proposed class. In such instances, loss causation will either exist for the whole class, or for no one, as Respondents admit. *See* Respondents' Supplemental Brief at 9 (acknowledging "loss causation stands or falls on a classwide basis"). Accordingly, there is no justification for examining the merits of loss causation at class certification.

1. The Fifth Circuit Imposes At Class Certification A Merits Inquiry Not Required By Rule 23

By requiring proof of loss causation at class certification, the Fifth Circuit has done precisely what *Eisen* and Rule 23 prohibit: "requir[ed] mini-trials on the merits of cases at the class certification stage." *Oscar*, 487 F.3d at 272 (Dennis, J., dissenting). The Fifth Circuit does not limit merits determinations at class certification to those related to the Rule 23 prerequisites; rather, it requires plaintiffs to prove almost their entire case. *See Schleicher*, 618 F.3d at 683 ("before a class can be certified [under *Oscar*] plaintiffs must prove everything (except falsity) required to win on the merits"); U.S. Invitation Br. at 11 ("[T]he court of appeals erred at the outset by going beyond Rule 23 criteria and assessing the putative class members' ability to prove their case on the merits."). The extended analysis of loss causation in both the district court and Fifth Circuit—an analysis that encompasses virtually the entire substance of both opinions—demonstrates that this is a quintessential merits examination, one reserved for a jury provided plaintiff establishes a prima facie case. "[L]oss causation has been compared to 'the tort concept of proximate cause, *Emergent Capital Inv. Mgmt., LLC v. Stonepath Group*, Inc., 195 F. Supp.2d 551, 559 (S.D.N.Y. 2002), and [p]roximate cause is a classic jury question." *Smith v. New York Enter. America, Inc., SW*, No. 06 Civ. 3082(PKL), 2008 WL 2810182,

at *6 (S.D.N.Y. July 21, 2008) (quoting *Southard v. Eight Ball, Inc.*, No. 96 Civ. 5542, 1997 WL 391123, at *14 (S.D.N.Y. July 11, 1997)); *see also Lentell v. Merrill Lynch & Co., Inc.*, 396 F.3d 161, 174 (2d Cir. 2005) ("[l]oss causation is a fact-based inquiry").

In *Oscar*, the Fifth Circuit defends its holding by citing the 2003 amendment to Rule 23, which required determination of class certification "at an early practicable time," instead of "as soon as practicable." *See Oscar*, 487 F.3d at 267. Even after the 2003 revisions, however, it is improper for a court to undertake at class certification a merits inquiry—whether for proof of loss causation, scienter, or materiality—which does not overlap with a determination of one of the prerequisites of Rule 23. *See* FED. R. CIV. P. 23(c)(1)(A) advisory committee's note (2003 amendments) (noting "an evaluation of the probable outcome on the merits is not properly part of the certification decision"). Equally unavailing is the fact that Rule 23 no longer says a class certification ruling "may be conditional." *Id.* "Even after a class certification order is entered, the judge remains free to modify it in light of subsequent developments in the litigation." *See Gen. Tel. Co. of Southwest v. Falcon*, 457 U.S. 147, 160 (1982). While the district court must determine that the prerequisites for class certification have been met, that does not justify grafting a merits inquiry onto a proper Rule 23 analysis

2. Plaintiffs Are Prejudiced By The Requirement That They Establish Loss Causation Without Merits Discovery

This case was the subject of multiple motions to dismiss and multiple amended complaints before the district court denied defendants' motion to dismiss the fourth amended complaint, more than four and one half years after the initial complaint was filed. In any court other than the Fifth Circuit, the EPJ Fund would not face a new merits hurdle until summary judgment. There is no justification for subjecting private plaintiffs in security actions in the Fifth Circuit to such a unique disadvantage.

The loss causation analysis by the courts below illustrates why plaintiffs need merits discovery to establish loss causation. On December 20, 2000, Halliburton announced in a company press release that it was taking a $95 million charge that was due in part to the fact that "negotiations with customers regarding cost increases on seven . . . projects have not resulted in resolution of certain claims as originally anticipated." S.A. 520. Even though the face of the announcement showed that the $95 million charge was related to contractual claims that had not been resolved as the company "originally anticipated," thereby calling into question the company's prior assertion that it would only book unapproved claims when probable of collection, *id.* at 471, the Fifth Circuit found that the EPJ Fund had

not established loss causation. The court said that the announcement included non-culpable negative news and concluded the EPJ Fund failed to parse the effect of the culpable from the non-culpable news, which Halliburton had packaged together. Pet. App. 134a. With merits discovery, the EPJ Fund could have looked behind the announcement, determined how much of the charge was related to cost overruns on long-term fixed price contracts and whether the other restructuring charges were related to problems with such contracts. The district court noted that Halliburton in its announcement attributed these cost overruns to "changes in market conditions, specifically labor disturbances in Venezuela and West Africa." *Id.* at 35a. With merits discovery, the EPJ Fund could test that assertion and determine the degree to which overruns were actually due to labor disturbances. Finally, Halliburton argued to the Fifth Circuit that "[t]here is no indication at all that these additional costs . . . had anything to do with unapproved claims previously recognized as revenue." Appellees' (Respondents') Brief to the Fifth Circuit Court of Appeals at 53. Again, with merits discovery the EPJ Fund could have determined whether there was such a connection.

The prejudice to plaintiffs is exacerbated by the fact that the Fifth Circuit effectively requires proof of scienter in order to establish loss causation

at class certification.[16] *See, e.g.*, Pet. App. 121a-22a (holding that "plaintiffs must prove the corrective disclosure shows *the misleading or deceptive nature* of the prior positive statements" and that "the corrective disclosure more probably than not shows that the original estimates or predictions were *designed to defraud*.").[17] As this Court recently explained, evidence of scienter is different from evidence of falsity, and so may require additional discovery. *Merck & Co., Inc. v. Reynolds*, 130 S. Ct. 1784, 1796-97 (2010).

Even at trial, plaintiffs do not have to establish scienter though a corrective disclosure that "shows the misleading or deceptive nature of the prior positive statements." Pet. App. 121a-22a. Rather, plaintiffs may establish scienter through direct or circumstantial evidence that the defendants knew or were reckless in not knowing that their

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[16] Scienter, of course, turns on defendants' conduct and so is common to the class.

[17] While the Fifth Circuit stated in a footnote that "a plaintiff need not prove at the class certification stage intentional fraud by the defendant," *id.* at 123a n.35, the court effectively required proof of scienter to establish loss causation. *See, e.g.*, *id.* at 126a (did not show "prior reserve estimates were intentionally misleading"); *id.* at 126a-27a ("no indication [prior estimates] were misleading or deceptive"; *id.* at 129a ("undermines any conclusion . . the company acted with deception"); *id* at 132a ("Plaintiff fails to show these announcements . revealed deceptive practices in Halliburton's accounting assumptions").

assertions at issue were false at the time they made them. *See, e.g., Herman & MacLean v. Huddleston*, 459 U.S. 375, 390 n.30 (1983); *Alpern v. UtiliCorp United, Inc.*, 84 F.3d 1525, 1536-37 (8th Cir. 1996); *In re Software Toolworks, Inc.*, 50 F.3d 615, 627 (9th Cir. 1994). The Fifth Circuit, however, imposes a more demanding test of scienter at class certification than pertains at trial.

The impact of the Fifth Circuit's loss causation requirement is readily apparent here. Most of Halliburton's asbestos liability derived from claims against Harbison-Walker, a former subsidiary of Dresser, which Halliburton acquired in 1998 for $7 billion. USCA5 4558. On June 28, 2001, the Fifth Circuit held that Halliburton's June 28, 2001 announcement that Harbison-Walker, Dresser's former subsidiary, had sought financial assistance to pay its pending asbestos claims was not a corrective disclosure because the June 28, 2001 announcement did not indicate that Halliburton *knew* of Harbison-Walker's financial difficulties prior to the announcement. Pet. App. 125a-27a. The court disregarded the allegation in the complaint that Halliburton knew throughout the class period that Harbison-Walker would need Halliburton's financial assistance to pay its own asbestos claims. USCA5 4575. Absent an admission by Halliburton, the only way to "prove" that the June 28, 2001 corrective disclosure "shows the misleading or deceptive nature" of Halliburton's prior announcements would be to establish *through merits discovery* that

Halliburton knew but failed to disclose prior to June 28, 2001 that it would ultimately bear financial responsibility for claims against Harbison-Walker.

Similarly, Halliburton claimed that the adverse asbestos verdict disclosed on December 7, 2001, which caused its stock to tumble 42.7%, was an unexpected development, and so cannot constitute a corrective disclosure. The EPJ Fund alleged, and is entitled to merits discovery to prove, that Halliburton knew its asbestos liability was a "ticking 'time bomb[],'" *id.* at 4567, and that given Halliburton's aggressive litigation tactics, the soaring number of asbestos claims against it (including the 165,000 Harbison-Walker claims), and its unwillingness to settle claims except for a minimal amount, Halliburton knew, or was grossly negligent in not knowing, that it was only a matter of time before it would get saddled with significant adverse jury verdicts and that its reserves were neither conservative nor adequate. In sum, the EPJ Fund is entitled to merits discovery to establish what Halliburton knew and when it knew it.

C. The Fifth Circuit's Rule Constitutes Impermissible Judicial Legislation That Impinges On A Plaintiff's Right To A Jury Trial And Unduly Limits Private Securities Actions

1. The Fifth Circuit Rule Was Motivated By Policy Concerns Regarding Class Certification

The Fifth Circuit has repeatedly expressed concern that class certification creates undue settlement pressure on defendants. It did so in *Oscar* where it spoke of the "lethal force of certifying a class of purchasers of securities enabled by the fraud on the market doctrine" and said it could not "ignore the *in terrorem* power of certification." *Oscar*, 487 F.3d at 262, 267.

The Fifth Circuit, of course, does not provide empirical support for its implicit assumption that frivolous cases regularly survive motions to dismiss and are certified, thereby putting undue pressure on defendants to settle. And it ignores altogether the important role class actions play in enabling plaintiffs with claims too small to warrant pursuing individually to combine their claims and seek judicial redress. *See Deposit Guar. Nat'l Bank, Jackson, Miss. v. Roper*, 445 U.S. 326, 339 (1980) ("Where it is not economically feasible to obtain relief within the traditional framework of a multiplicity of small individual suits for damages,

aggrieved persons may be without any effective redress unless they may employ the class-action device.").

The concerns expressed by the Fifth Circuit, even if they were justified and not balanced by countervailing concerns, do not permit the Fifth Circuit to import a premature merits inquiry into Rule 23. As the Seventh Circuit stated:

> Rule 23 allows certification of classes that are fated to lose as well as classes that are sure to win. To the extent it holds that class certification is proper only after the representative plaintiffs establish by a preponderance of the evidence everything necessary to prevail, *Oscar Private Equity* contradicts the decision, made in 1966, to separate class certification from the decision on the merits.

Schleicher, 618 F.3d at 686.

The Federal Rules of Civil Procedure, including Rule 23, are binding on all federal courts. It is "of overriding importance" that "courts must be mindful that the Rule [23] as now composed sets the requirements they are bound to enforce." *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997); *see also Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 861 (1999) ("[W]e are bound to follow Rule 23 as we

understood it upon its adoption, and . . . we are not free to alter it except through the process prescribed by Congress in the Rules Enabling Act.").

This Court has specifically admonished the lower courts not to be swayed by their perceived policy preferences in construing the Federal Rules of Civil Procedure. *See, e.g., Jones v. Bock*, 549 U.S. 199, 212 (2007) ("[C]ourts should generally not depart from the usual practice under the Federal Rules on the basis of perceived policy concerns."). In *Leatherman v. Tarrant County Narcotics Intelligence & Coordination Unit*, 507 U.S. 163 (1993), the Court unanimously reversed the Fifth Circuit for imposing a heightened pleading standard in § 1983 suits against municipalities, even though "if [the] Rules . . . were rewritten today, claims against municipalities under § 1983 might be subjected to the added specificity requirement. . . . But that is a result which must be obtained by the process of amending the Federal Rules, and not by judicial interpretation." 507 U.S. at 168. The Court similarly struck down courts of appeals in *Swierkiewicz v. Sorema N.A.*, 534 U.S. 506, 515 (2002), and *Hill v. McDonough*, 547 U.S. 573 (2006), for imposing heightened pleading requirements not authorized under Rule 23 in certain categories of cases.

Here, the Fifth Circuit has effectively amended Rule 23 by imposing a new prerequisite for class certification, usurping the role of this Court

and Congress. *See Amchem*, 521 U.S. at 620 ("Courts are not free to amend a rule outside the process Congress ordered . . . ."); *Bus. Guides, Inc. v. Chromatic Commc'ns Enters., Inc.*, 498 U.S. 533, 552 (1991).

2. Recalibrating The Require-ments For A Securities Class Action Is the Role Of Congress, Not The Courts

Any policy determination to further "tighten" the requirements for bringing security class actions lies with Congress—which could have altered the requirements established in *Basic* for invoking the fraud-on-the-market presumption at any point over the last two decades and which can always modify the requirements for bringing a federal securities action—or with this Court and Congress, which collectively can amend Rule 23. Congress has repeatedly acted to readjust the balance between plaintiffs' right to pursue meritorious claims and defendants' right to be protected against vexatious litigation. Most recently, Congress addressed concerns regarding securities class actions by enacting the PSLRA, Pub. L. 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.), and the Securities Litigation Uniform Standards Act of 1998 ("SLUSA"), Pub. L. 105-353, 112 Stat. 3227 (codified as amended in scattered sections of 15 U.S.C.). *See Schleicher*, 618 F.3d at 686 ("[T]he means that Congress chose to deal with

settlement pressure were to require more at the pleading stage and to ensure that litigation occurs in federal court under these special standards, rather than state court under looser ones."). The PSLRA protects defendants in securities class actions by imposing heightened pleading requirements, 15 U.S.C. § 78u-4(b); deferring discovery until after motions to dismiss are resolved, *id.* § 78u-4(b)(3)(B); and replacing joint and several liability with proportionate liability, *id.* § 78u-4(f)(2)(B)(i), among other measures. *See also Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007) (discussing heightened pleadings requirements imposed by the PSLRA). SLUSA addressed concerns that plaintiffs' counsel were circumventing the PSLRA by filing claims in state court. That Act curbs forum selection and promotes national standards for securities traded on national exchanges by preempting certain state law actions for fraud, negligence, or breach of fiduciary duty and by making all "covered class actions" removable to federal court. *See* 112 Stat. 3227; *see also Merrill Lynch, Pierce, Fenner & Smith Inc. v. Dabit*, 547 U.S. 71, 81-82 (2006).

Any further measure to modify the requirements for securities fraud class actions requires participation by Congress. As the Seventh Circuit recognized, "[w]e do not think it appropriate for the judiciary to make its own further adjustments by reinterpreting Rule 23 to make likely success on the merits essential to class

certification in securities-fraud suits." *Schleicher*, 618 F.3d at 686.

3. The Fifth Circuit's Rule Deprives Plaintiffs Of The Right To A Jury Trial And Requires Plaintiffs To Meet A Higher Standard Of Proof At Class Certification Than At Summary Judgment

The Fifth Circuit's rule improperly infringes on a plaintiff's Seventh Amendment right to a jury trial because it requires a court to make a merits ruling on an element of plaintiff's claim under a preponderance-of-the-evidence standard even though the court does not need to make such a ruling in performance of its gatekeeping role under Rule 23. While a court must determine if common issues predominate in its role as a gatekeeper to class certification, it does not need to determine whether plaintiff can establish loss causation. In requiring plaintiff to do so by a preponderance of the evidence, the Fifth Circuit has violated plaintiff's Seventh Amendment right to a jury trial by imposing a higher standard of proof for an element of the claim at class certification than at summary judgment under FED. R. CIV. P. 56. *See* U.S. Invitation Br. at 13 ("[T]he Fifth Circuit's approach improperly requires district courts to usurp the role of juries in resolving disputed issues of loss-causation.").

Plaintiffs are entitled to a jury trial on security fraud claims if they make a sufficient initial showing. *See Tellabs,* 551 U.S. at 326-28; *see also In re U. S. Fin. Sec. Litig.*, 609 F.2d 411, 432 (9th Cir. 1979); *Dasho v. Susquehanna Corp.*, 461 F.2d 11, 21 (7th Cir. 1972); *Rachal v. Hill,* 435 F.2d 59, 64-65 (5th Cir. 1970).

Summary judgment under Rule 56 is only warranted "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." FED. R. CIV. P. 56(a); *see Celotex Corp. v. Catrett,* 477 U.S. 317, 322 (1986) (summary judgment is appropriate " against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial."). "Summary judgment . . . is inappropriate when the evidence is susceptible of different interpretations or inferences by the trier of fact." *Hunt v. Cromartie,* 526 U.S. 541, 553 (1999). The Fifth Circuit requires plaintiffs to clear a far more onerous standard at class certification than applies at summary judgment, thereby violating plaintiffs' Seventh Amendment right to a jury trial on disputed issues of loss causation.

In *Alaska Elec. Pension Fund v. Flowserve Corp.*, the Fifth Circuit opined that it was not depriving plaintiff of its right to a jury trial because "the court's determination on class certification may

be revised (or wholly rejected) by the ultimate fact finder" and because even if the class is not certified, the plaintiff could always pursue his or her own claim. 572 F.3d 221, 229 (5th Cir. 2009). However, in many, if not most, securities actions—as the parties recognized was the case here, *compare* Pet. App. 77a-78a *with* Pet. App. 93a, 106a—an adverse ruling on class certification would likely be a death knell for the case, because pursuing the case on behalf of an individual plaintiff would be prohibitively expensive.

4. The Fifth Circuit's Rule Would Unduly Restrict Private Securities Actions And Preclude Meritorious Actions

Private securities actions play a central role in enforcement of the securities laws and deterring wrongdoing, as Congress has recognized: "[Private securities litigation] promotes public and global confidence in our capital markets and helps to deter wrongdoing and to guarantee that corporate officers, auditors, directors, lawyers and others properly perform their jobs." Joint Explanatory Statement of the Committee of Conference on H.R. 1058 (Joint Explanatory Statement) at 31, reprinted in 2 U.S.C.C.A.N. 730 (104th Cong., 1st Sess. 1995). This Court has also noted on numerous occasions the key role played by private securities actions. *See, e.g., Tellabs*, 551 U.S. at 313 ("This Court has long recognized that meritorious private actions to

enforce federal antifraud securities laws are an essential supplement to criminal prosecutions and civil enforcement actions brought, respectively, by the Department of Justice and the Securities and Exchange Commission (SEC)."); *Dura*, 544 U.S. at 345 ("The securities statutes seek to maintain public confidence in the marketplace. They do so by deterring fraud, in part, through the availability of private securities fraud actions."); *Basic*, 485 U.S. at 231 ("[A] private cause of action . . . for a violation of § 10(b) and Rule 10b-5 . . . constitutes an essential tool for enforcement of the 1934 Act's requirements.").

The Securities and Exchange Commission and Solicitor General recognize the importance of private securities litigation as well. *See, e.g.*, Brief of the United States as Amicus Curiae Supporting Respondents at 1, *Merck & Co., Inc. v. Reynolds*, 130 S. Ct. 1784 (2010) (No. 08-905) ("Meritorious private securities-fraud actions are an essential supplement to criminal prosecutions and civil enforcement actions brought by the United States and the Securities and Exchange Commission (SEC)."). Private securities actions are essential because they supplement SEC actions and potentially provide injured shareholders with compensation that they would otherwise not receive. James D. Cox & Randall S. Thomas, *SEC Enforcement Heuristics: An Empirical Inquiry*, 53 DUKE L.J. 737, 779 (2003). In fact, 85% of settled private cases do not have a parallel SEC action. *Id.* at 777.

The SEC has stressed the importance of the fraud-on-the-market presumption, in particular, to the proper enforcement of the securities laws by private litigants:

> While the Commission is not required to show reliance in its own enforcement actions, the Commission believes that the proper interpretation and application of the fraud-on-the-market presumption is important to the effective enforcement of the federal securities laws. It is well recognized that private securities actions "provide 'a most effective weapon in the enforcement' of the securities laws and are 'a necessary supplement to Commission action.'"

Brief of the Securities and Exchange Commission as Amicus Curiae at 3, *In re WorldCom, Inc. Sec. Litig.*, No. 03-9350 (2d Cir. Apr. 19, 2004) (quoting *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985)).

The Fifth Circuit's rule undercuts private enforcement of federal securities laws by nullifying the fraud-on-the-market presumption and imposing an "exceedingly high burden on security plaintiffs at an early stage of the litigation." Pet. App. 7a. The Fifth Circuit's rule also largely immunizes

defendants who release culpable negative news on the same day as significant non-culpable negative news and even incents them to do so because of the difficulty of disaggregating the effects of negative culpable and non-culpable news. "An unfortunate consequence of the Fifth Circuit approach is that it encourages strategic decisions to time corrective disclosure to coincide with other negative news likely to affect the company's stock." THOMAS LEE HAZEN, TREATISE ON THE LAW OF SECURITIES REGULATION § 12.10[5] (6th ed. 2009). In short, the Fifth Circuit's rule threatens the viability of many meritorious private securities actions. As Judge Easterbrook explained in *Schleicher*: "The particular step that the fifth circuit took in *Oscar* . . . would make certification impossible in many securities suits, because when true and false statements are made together it is often impossible to disentangle the effects with any confidence." 618 F.3d at 686.

It is not only plaintiffs in private securities actions who stand to lose. The ensuing risk to the financial markets, which depend on private enforcement actions as well as SEC actions to deter fraud, is substantial, as the recent financial crisis illustrates. *See Merrill Lynch, Pierce, Fenner & Smith, Inc*, 547 U.S. at 78 ("The magnitude of the federal interest in protecting the integrity and efficient operation of the market for nationally traded securities cannot be overstated.").

CONCLUSION

For the foregoing reasons, the ruling of the Fifth Circuit should be reversed and this case remanded with directions that the proposed class be certified because the only reason the district court declined to do so, and the only reason the court of appeals affirmed that decision, was the EPJ Funds' failure to prove loss causation at class certification.

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RESPONDENT'S BRIEF

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO. ET AL.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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QUESTION PRESENTED

Whether the court of appeals correctly affirmed the district court's denial of class certification where the evidence showed that the alleged misrepresentations had no impact on the company's stock price.

CORPORATE DISCLOSURE STATEMENT

Pursuant to this Court's Rule 29.6, Respondent Halliburton Company states that it is a publicly held company, which has no parent company.

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IN THE

Supreme Court of the United States

No. 09-1403

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON CO. ET AL.,

Respondents.

On Writ of Certiorari
to the United States Court of Appeals
for the Fifth Circuit

BRIEF FOR RESPONDENTS

STATEMENT

In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), a four-Justice majority of this Court created a rebuttable presumption that securities purchasers rely "on the integrity of the market price," which, in turn, is presumed to incorporate all public, material misrepresentations. *Id.* at 247. That presumption enables a Rule 10b-5 plaintiff to submit proof of an efficient market in lieu of proof that individual plaintiffs relied on defendant's misrepresentations. The defendant, however, may "rebut the presumption of reliance" by "show[ing] that the misrepresentation

in fact did not lead to a distortion of price." *Id.* at 248. Where the rebuttal is successful, "the causal connection" between the misrepresentation and the plaintiff's reliance is "broken" because "the basis for finding that the fraud had been transmitted through market price"—and thus that class members all relied on a distorted market price—is "gone." *Ibid.*

This case presents a fundamental question regarding *Basic*'s rebuttable presumption: Must a class be certified where the evidence shows that the alleged misrepresentation did *not* distort the market price? The answer must be "no." The predicate for presuming classwide reliance vanishes when the market price on which class members presumptively relied was not affected by the challenged statement. Instead, any reliance would have to be proved on an individualized, plaintiff-by-plaintiff basis, making class certification inappropriate.

The contrary view of petitioner Erica P. John Fund, Inc. (the Fund) and its *amici* defies common sense, judicial efficiency, and *Basic* itself. It would deploy the *in terrorem* effect of class certification under the fraud-on-the-market theory even where the alleged misrepresentation did not affect the market price. And it would needlessly postpone rebuttal of the presumption, requiring courts to retroactively decertify classes that never should have been certified in the first place.

The Fund's claim that courts must defer ruling on the viability of the presumption of reliance until after the class is certified misconceives the "commonality" and "predominance" showings that must be made to justify class certification under Rule 23. For class certification to be proper, the judge must find that issues subject to common proof predominate. Thus, class certification may be appropriate if the fraud-on-the-market presumption can be used to establish classwide reliance on a distorted market price. But if the market price was not dis-

torted by the fraud, and the class could not have universally relied on that distorted price, then the issue of reliance cannot be resolved on a classwide basis. The failure of the fraud-on-the-market presumption in this context does not disprove the merits of any fraud claim. It instead shows that the reliance issue will require the sort of individualized inquiry inappropriate for resolution in a class action. This Court should reject the Fund's invitation to render *Basic*'s rebuttable presumption virtually irrebuttable at the certification stage.

I. BACKGROUND

1. This Court has "implied * * * a private damages action" for securities fraud from Section 10(b) of the Securities Exchange Act, 15 U.S.C. § 78j(b), and the SEC's Rule 10b-5, 17 C.F.R. 240.10b-5. *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 341 (2005).

Like other claimants, a named plaintiff seeking class certification in a federal securities-fraud suit must satisfy Rule 23's requirements. *Amchem Prods., Inc.* v. *Windsor*, 521 U.S. 591, 613-614 (1997); *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 156 (1982).

Here, the Fund sought certification under Rule 23(b)(3), which requires a plaintiff to prove that "the questions of law or fact common to class members predominate over any questions affecting only individual members." J.A. 146a-148a; see Fed. R. Civ. P. 23(b). It appears undisputed (see Pet. Br. 46; U.S. Br. 9-10 & n.1) that the Fund must establish predominance, as well as the other Rule 23 requirements, by a preponderance of the evidence. See *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 320 (3d Cir. 2008); *Teamsters Local 445* v. *Bombardier Inc.*, 546 F.3d 196, 202 (2d Cir. 2008); *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 267-269 (5th Cir. 2007).

2. The traditional rule in fraud lawsuits was that the element of reliance required individualized proof: Each plaintiff had to show that he relied on the misrepresentations, *i.e.*, that absent the misrepresentations, he would not have entered into the transaction. *Gariety* v. *Grant Thornton, LLP*, 368 F.3d 356, 367 (4th Cir. 2004); see *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 159, 160 (2008). As this Court recognized in *Basic*, "[r]equiring proof of individualized reliance * * * effectively * * * prevented [plaintiffs] from proceeding with a class action, since individual issues * * * overwhelmed the common ones." 485 U.S. at 242.

To remedy that perceived difficulty, *Basic*'s four-Justice majority ruled that a putative class-action plaintiff may obtain a rebuttable presumption of classwide reliance by invoking the "fraud-on-the-market" theory. 485 U.S. at 245.[1] The fraud-on-the-market theory assumes that in an efficient, well-developed market, all public information about a company is known to the market and reflected in the company's stock price. *Id.* at 246. The theory further posits that "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of [the market] price." *Id.* at 247. Because misrepresentations presumably distort the market price, "an investor's reliance on any public, material misrepresentations * * * may be presumed for purposes of a Rule 10b-5 action." *Ibid.*; see *Stoneridge*, 552 U.S. at 159.

To trigger the fraud-on-the-market presumption of reliance, the plaintiff must show that (1) the defendant "made public, material misrepresentations"; (2) the de-

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[1] Chief Justice Rehnquist and Justices Scalia and Kennedy did not participate. *Basic*, 485 U.S. at 250. Justice Blackmun wrote the majority opinion joined by Justices Brennan, Marshall, and Stevens. *Id.* at 226. Justices White and O'Connor dissented in relevant part. *Id.* at 250-263.

fendant's shares were traded in an "efficient market"; and (3) "the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed." *Basic*, 485 U.S. at 248 & n.27. This showing establishes the "threshold facts" for a presumption that the entire class relied on the misrepresentation by relying on the market price. *Id.* at 248.

The presumption of reliance, however, is "subject to rebuttal." *Basic*, 485 U.S. at 245. Indeed, "*[a]ny showing* that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price, will be sufficient to rebut the presumption of reliance." *Id.* at 248 (emphasis added). Thus, a defendant may "rebut the presumption of reliance" by "show[ing] that the misrepresentation in fact did not lead to a distortion of price." *Ibid.* Such a rebuttal breaks the "causal connection" because "the basis for finding that the fraud had been transmitted through the market price would be gone." *Ibid.*

3. Although some proponents of the efficient-market hypothesis believed that its adoption would curtail the number of securities-fraud class actions, Fischel, *Use of Modern Finance Theory in Securities Fraud Cases Involving Actively Traded Securities*, 38 Bus. Law. 1, 16 (1982), they were proven wrong. Between 1988 and 1991, the number of such suits nearly tripled, see O'Brien, *The Class-Action Shakedown Racket*, Wall St. J., Sept. 10, 1991, at A20, and notwithstanding the enactment of the PSLRA, the number increased still further over the ensuing decades. Plancich & Starykh, *2008 Trends in Securities Class Actions* (Nat. Econ. Res. Assoc.), Dec. 2008, at 2.

II. Proceedings Below

A. Proceedings In District Court

The Fund filed this putative securities-fraud class action against Respondents Halliburton Company and its CEO David Lesar (collectively, Halliburton) in the U.S. District Court for the Northern District of Texas on June 3, 2002. J.A. 9a; Pet. App. 111a-112a. The complaint alleged that Halliburton made misrepresentations about three divergent topics: (1) potential liability in asbestos litigation; (2) accounting for revenue on fixed-price construction contracts; and (3) benefits from a merger with Dresser Industries. Pet. App. 112a-113a. The Fund claimed that investors lost money when Halliburton's stock price declined following the release of negative news touching upon one or more of the subjects of the alleged misstatements.

Five years after the Fund filed its complaint, it moved for class certification. J.A. 97a, 126a. During those five years, the Fund amended its complaint four times and obtained extensive discovery, including more than 600,000 pages of documents from Halliburton.

In support of certification, the Fund relied exclusively on an event study and a report from its expert, Jane Nettesheim. The Fund's motion recognized that "[t]he cause and effect relationship between unexpected information released to the market and movement of the stock price *is the essence* of an efficient market and the foundation for the fraud-on-the-market theory." J.A. 151a (emphasis added). The accompanying event study, which examined every day in the 2½ year class period, was the Fund's sole proof of both market efficiency and the alleged misrepresentations' impact on market price. J.A. 166a-167a, 271a, 590a-592a; S.A. 97-453. Although the Fund alleged that Halliburton made dozens of misrepresentations during the class period, J.A. 516a-525a, the

Fund's event study revealed that the stock price did not react to any of them. J.A. 349a, 391a-394a, 526a, 664a, 721a.

In light of that, the Fund argued that it could prove the alleged misrepresentations' impact on market price instead by showing that the stock price *dropped* following the release of various items of negative information. In response, Halliburton submitted an expert report and documentary evidence demonstrating that its stock price declines were caused by the release of unrelated negative news and a variety of other causes, not by "corrective" disclosures that revealed the falsity of any prior misrepresentation. J.A. 469a-537a, 691a-721a.

The Fund never requested additional discovery in connection with its motion for class certification. Nor did it claim that inadequate discovery somehow hampered its ability to show that the misrepresentation affected the market price. To the contrary, the Fund argued that it had "satisfied [that] burden through the submission of the Nettesheim expert report." J.A. 155a. And it emphasized that "[i]n preparation of the Report, Nettesheim reviewed all publicly available, relevant information for the Class Period." *Ibid.*

The district court denied the Fund's request for class certification. Pet. App. 3a-54a. The court explained that, under the Fifth Circuit's decision in *Oscar*, plaintiffs invoking *Basic*'s presumption of reliance must show that the false statements affected the value of the stock. *Id.* at 6a. The court noted that the Fund did not even claim that Halliburton's alleged misrepresentations moved the stock price when they were made. *Id.* at 7a & n.11, 11a. And the court concluded that the Fund had not shown the required effect on market price through later price declines. The price declines upon which the Fund relied did not follow disclosures that revealed the falsity of any previous misrepresentation. *Id.* at 14a-54a. Instead, the

Fund simply "offer[ed] evidence of a decrease in price following the release of negative information" that would not support an inference that the earlier misrepresentation affected the market price. *Id.* at 51a.

B. The Court Of Appeals' Decision

The court of appeals affirmed. Pet. App. 111a-136a. The court began by explaining that its precedent requires the misrepresentation's effect on market price to be assessed at the class-certification stage. Pet. App. 115a; see *Oscar*, 487 F.3d at 264 ("without [the fraud-on-the-market] presumption, questions of individual reliance would predominate, and the proposed class would fail"). Thus, a plaintiff invoking the fraud-on-the-market presumption to obtain class certification must prove that the misstatement "actually moved the market." Pet. App. 115a. In *Oscar*, the court of appeals had drawn that requirement from *Basic*'s holding that "the presumption of reliance may be rebutted by '[a]ny showing that severs the link between the alleged misrepresentation and * * * the price received (or paid) by the plaintiff.'" 487 F.3d at 265 (quoting *Basic*, 485 U.S. at 248). For instance, the link could be severed by "publicly available information that the misrepresentation didn't move the stock price." *Ibid.* *Oscar* observed that, "[a]s a matter of practice, the oft-chosen defensive move is to make '*any* showing that severs the link' between the misrepresentation and the plaintiff's loss; to do so rebuts on arrival the plaintiff's fraud-on-the-market theory." *Ibid.*

Thus, a touchstone for applying the fraud-on-the-market presumption is whether the alleged misrepresentation "actually inflated the company's stock price." Pet. App. 116a. That can be proved in at least two ways. It "may be proved *either* by an increase in stock price immediately following the release of positive information, *or* by showing negative movement in the stock price after release of the alleged 'truth' of the earlier falsehood."

Ibid. (emphasis added). The court noted that, in this case, the Fund did not attempt to prove that the stock price moved in response to Halliburton's alleged misrepresentations (indeed, its evidence showed the opposite). *Ibid.* Rather, the Fund "relie[d] only on stock price decreases following allegedly corrective disclosures by Halliburton." *Ibid.*

To demonstrate a misrepresentation's price impact via alleged corrective disclosures, the court of appeals explained, a plaintiff must do more than simply allege a misrepresentation and show a price decline following a subsequent disclosure of negative information. Pet. App. 116a. Instead, a plaintiff must prove that the negative stock-price movement "resulted directly *because* of the correction to a prior misleading statement." *Id.* at 117a. Without such proof, "there would be no inference raised that the original, allegedly false statement caused an inflation in the price to begin with." *Ibid.* Quoting *Oscar*, the court of appeals explained that this showing must be made "at the class certification stage by a preponderance of all admissible evidence." *Id.* at 115a.[2]

Thus, plaintiffs must show that "a loss occurred from the decline in stock price because the truth made its way into the marketplace, rather than for some other reason, such as a result of changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other factors independent of the fraud." Pet. App. 117a (punctuation omitted).

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[2] *Oscar* repeatedly emphasized that it was addressing a situation where the plaintiff attempted to prove the misrepresentation's price impact through price declines following allegedly corrective disclosures. 487 F.3d at 262, 265 n.22, 267. In that context, *Oscar* often used the term "loss causation" as a shorthand for the showing the plaintiff must make. *E.g.*, *id.* at 265 ("in cases like this," the court "[e]ssentially" requires proof of loss causation).

Similarly, "if a company releases multiple items of negative information on the same day, the plaintiff must establish a reasonable likelihood that a subsequent decline in stock price is due to the revelation of the truth of the earlier misstatement rather than to the release of the unrelated negative information." *Id.* at 117a-118a.[3] And a plaintiff may not rely on the release of "confirmatory information"—information that repeats facts already known to the market and thus already reflected in the stock price. *Id.* at 119a. In sum, "a subsequent disclosure that does not correct and reveal the truth of the previously misleading statement" is not a sufficient basis for certifying a class under the fraud-on-the-market presumption. *Id.* at 118a (citing *Alaska Elec. Pension Fund* v. *Flowserve Corp.*, 572 F.3d 221, 230 (5th Cir. 2009) (*per curiam*; panel including O'Connor, J.)).

Turning to the facts here, the court held that the Fund failed to show that any of Halliburton's alleged misrepresentations had distorted the market price on which investors presumptively relied. Pet. App. 123a-136a. As noted, the Fund's own analysis showed that Halliburton's stock price never increased following any of the alleged misrepresentations. *Id.* at 116a. And the court concluded that the evidence failed to show that any disclosure followed by a stock-price decline was "corrective"—that it revealed the falsity of any of Halliburton's alleged misrepresentations. *Id.* at 123a. It was "not enough merely to show that the market declined after a statement reporting negative news." *Id.* at 116a. Rather, the evidence had to show that the decline in price following a

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[3] The Fifth Circuit does not require evidence that all of the price decline was attributable to the corrective disclosure, only that it was "more probable than not that it was this [corrective disclosure], and not other unrelated negative statements, that caused a significant amount of the decline." *Oscar*, 487 F.3d at 266.

disclosure "raise[d] an inference that the price was actually affected by earlier alleged misrepresentations." *Id.* at 117a.

In this case, a straightforward comparison between the alleged misrepresentations and the claimed "corrective" disclosures provided no basis for inferring that any alleged misrepresentation moved the market in the first place.[4] Pet. App. 123a-136a. Consequently, there was no basis on which to presume that the Fund (and the putative class) relied on the misrepresentations by relying on the market price. *Id.* at 112a. Because there was no basis for assuming the putative class had relied on a distorted market price, reliance would have to be proved plaintiff-by-plaintiff, precluding certification. See *id.* at 136a.

SUMMARY OF ARGUMENT

A class may not be certified under the fraud-on-the-market presumption of reliance where the evidence shows that no alleged misrepresentation affected the market price.

I. In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), this Court created a presumption of reliance that allowed plaintiffs to overcome the difficulty of proving individualized reliance on misrepresentations. That presumption rests on the premise that investors rely on the integrity of market prices, which incorporate all public information, including any material misrepresentations.

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[4] For instance, both courts below held that certain alleged misrepresentations about the benefits of the Dresser merger merely confirmed statements made before the class period, and thus could not have inflated market price. Pet. App. 45a, 47a-48a, 53a, 134a n.50. The court of appeals further concluded that the later disclosures were not in fact corrective of any previous alleged misstatements. *Id.* at 129a-132a. The Fund does not even mention this category of alleged misrepresentations in the argument section of its brief.

The *Basic* presumption of reliance, however, is rebuttable. Defendants rebut the presumption by proffering evidence that an alleged misrepresentation did not inflate the market price that plaintiffs paid. That makes sense. Such a showing refutes the foundational premise of the reliance presumption—that, when relying on the market price, plaintiffs were effectively relying on defendants' alleged misrepresentations.

A plaintiff bears the ultimate burden under Rule 23 to show that common issues predominate over individual ones. If a plaintiff cannot sustain the presumption of reliance or otherwise show that common issues predominate, then that plaintiff has failed to satisfy Rule 23 and a class may not be certified. The Fund has not met its burden here.

II. Whether a misrepresentation distorted the market price is thus directly relevant to whether a plaintiff can show that common issues predominate. As a result, that inquiry must be considered at the class-certification stage. That is true even if the misrepresentation's impact on the market price may overlap with "merits" issues. As all parties recognize, courts must ensure that Rule 23's requirements are met, including when the certification and merits inquiries coincide.

The Fund and its *amici* urge that classes must be certified under the presumption of reliance even when defendants' alleged misrepresentations did not distort market prices. And they insist that defendants may not rebut the presumption of reliance until after class certification. That would contradict the logic of *Basic*, waste judicial resources, and impose *in terrorem* settlement pressure on defendants even in meritless cases. *Basic* allows plaintiffs to establish classwide reliance through a rebuttable presumption that all investors relied on misrepresentations by relying on market prices. But if a market price does not reflect the alleged misrepresenta-

tions, the presumption that *all* plaintiffs relied on the misrepresentations through the market price is destroyed and individual questions predominate.

There is no logical reason why defendants should be prohibited from rebutting plaintiffs' attempts to satisfy Rule 23's requirements at the class-certification stage. No one disputes that the *other* prerequisites to the presumption of reliance (*e.g.*, an efficient market) may be rebutted at the class-certification stage. There is no reason to treat price-impact rebuttal differently. Moreover, postponing defendants' ability to rebut the presumption of reliance would result in countless classes being certified with the certain knowledge that they would have to be decertified later, once the evidence inevitably reveals that the alleged misrepresentations did not in fact affect the relevant market price.

III. Under these principles, the court of appeals' decision should be affirmed. The evidence showed that Halliburton's alleged misrepresentations did not inflate the market price of Halliburton's stock and that none of the later stock-price declines were attributable to corrective disclosures that revealed the truth of any alleged misrepresentation. As a result, the Fund cannot use the presumption of reliance to satisfy Rule 23(b)(3)'s predominance requirement, and class certification was properly denied.

ARGUMENT

Traditionally, the element of "reliance" in fraud cases required individual proof that the plaintiff would not have entered into the transaction absent the misrepresentation. As a result, the reliance element tended to preclude plaintiffs from satisfying Rule 23's commonality and predominance requirements. The fraud-on-the-market theory endorsed in *Basic*, however, recognized an alternative means of proving reliance. Under *Basic*, if a plaintiff

proves certain threshold facts, courts may rebuttably presume that (a) the market efficiently incorporates all information into stock prices, including false statements; and that (b) plaintiffs rely on those market prices when making purchasing decisions. Thus, where an allegedly false statement inflates a stock's market price, courts may rebuttably presume that all class members relied on that market price when making their purchases.

The question in this case is whether plaintiffs may obtain class certification by insisting that reliance is a classwide rather than individualized issue even though *Basic*'s essential premise—that the alleged false statements altered the market price—has been rebutted. The answer must be "no." Plaintiffs cannot claim that all class members relied on the alleged misrepresentations by relying on the market price where the alleged misrepresentations did not affect the market price. And if plaintiffs cannot make out a case for classwide proof of reliance under *Basic*, reliance remains an individualized issue. To hold otherwise would wrongly relieve plaintiffs of their burden to satisfy Rule 23 and needlessly impose the *in terrorem* effect of class certification in cases unsuited to classwide treatment. Postponing rebuttal of the presumption would undermine judicial efficiency, requiring courts to labor over class actions that never should have been certified in the first place.

I. A Plaintiff Cannot Sustain The Presumption Of Reliance Where The Alleged Misrepresentation Did Not Distort The Market Price

A. *Basic* Creates A *Rebuttable* Presumption That Investors Rely On Misrepresentations Where They Are Reflected In The Market Price

1. The fraud-on-the-market presumption is founded on the premise that an efficient market reflects all "public material misrepresentations" and that "[a]n investor

who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Basic Inc.* v. *Levinson*, 485 U.S. 224, 247 (1988). By creating a classwide presumption of reliance on the market price, *Basic* allows certification where the need for individualized proof of reliance would otherwise preclude it. *Id.* at 242. But *Basic* is not condition-free. It requires assurances that the market price was actually affected by the alleged misrepresentations. *Id.* at 248. The entire class cannot claim to have relied on the misrepresentation by relying on the market price if "the market price [was] not * * * affected by [the] misrepresentation." *Ibid.* Without such evidence, "the causal connection" between the misrepresentation and the plaintiff's reliance "[w]ould be broken" because "the basis for finding that the fraud had been transmitted through market price would be gone." *Ibid.*

To trigger the fraud-on-the-market presumption of reliance, the plaintiff must "plead and prove" certain "threshold facts": that (1) the defendant "made public, material misrepresentations"; (2) the defendant's shares were traded in an "efficient market"; and (3) "the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed." *Basic*, 485 U.S. at 248 & n.27. A plaintiff who makes that showing is entitled to a "*nonconclusiv[e]* presum[ption] that the price of a publicly traded share reflects a material misrepresentation and that plaintiffs have relied upon that misrepresentation." *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 341-342 (2005) (emphasis added).

That presumption of reliance remains "subject to rebuttal." *Basic*, 485 U.S. at 245. A defendant may rebut the presumption of reliance by, for example, "show[ing] that the misrepresentation in fact did not lead to a distor-

tion of price." *Id.* at 248; see Pet. Br. 45.[5] "*Any showing* that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff" will "rebut the presumption of reliance." *Basic*, 485 U.S. at 248 (emphasis added). Thus, where the record shows that "the market price [was] not * * * affected by [the] misrepresentations," the presumption is rebutted—the plaintiff class *cannot* have relied on misrepresentations by relying on a distorted market price where the market price was not affected. *Ibid.*

2. For those reasons, the Fifth and Second Circuits recognize that the presumption of reliance is unavailable—and class certification is inappropriate—where the record shows that the alleged misstatements did not affect market price. For example, in *Oscar*, the Fifth Circuit held that a plaintiff wishing to use the fraud-on-the-market presumption to obtain class certification must provide "proof that the misstatement *actually moved* the market." *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007). The court drew that requirement from *Basic*'s holding that "the presumption of reliance may be rebutted by '[a]ny showing that severs the link between the alleged misrepresentation and * * * the price received (or paid) by the plaintiff.'" *Ibid.* (quoting *Basic*, 485 U.S. at 248). That link is necessarily severed by, for example, "publicly available information that the misrepresentation didn't move the stock price." *Ibid.* The misrepresentation's effect on market price must be assessed at the class-certification stage, the court explained, for "without [the fraud-on-the-market] presumption, questions of individual reliance

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[5] A defendant may also "rebu[t] proof of the elements giving rise to the presumption" or show "that an individual plaintiff traded or would have traded despite his knowing that the statement was false." *Basic*, 485 U.S. at 248.

would predominate, and the proposed class would fail." *Id.* at 264.

In *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474 (2d Cir. 2008), the Second Circuit agreed that a class may not be certified under the fraud-on-the-market presumption if the evidence shows that the alleged misrepresentations did not affect market price. The defendant, that court held, may rebut the presumption of reliance by "showing that there was no price impact" from the misrepresentation. *Id.* at 483; see also *ibid.* (defendant may rebut the presumption by "show[ing] that the misrepresentation in fact did not lead to a distortion of price"). Defendants, *Salomon* emphasized, are entitled to demonstrate the absence of impact on market price "prior to class certification." 544 F.3d at 484. "The *Basic* Court," the Second Circuit observed, "explained that successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement." *Id.* at 485 (citing *Basic*, 485 U.S. at 249 n.29).[6]

3. The Fund (Br. 27, 33) assails the requirement that "the misstatement actually moved the market," *Oscar*, 487 F.3d at 265, as requiring plaintiffs to prove the merits of "loss causation" as a prerequisite to class certification. But that is incorrect. Indeed, the Fund concedes

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[6] In opinions by then-Judge Alito, the Third Circuit has similarly held that *Basic*'s requirement of a "material" misrepresentation means that, to invoke the presumption of reliance, a plaintiff must establish a misrepresentation's price impact. *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1425 (3d Cir. 1997); *Oran* v. *Stafford*, 226 F.3d 275, 282 (3d Cir. 2000). While those cases arose at the motion-to-dismiss stage, their rationale would preclude class certification under the fraud-on-the-market theory absent proof that the misrepresentation affected market price. Consequently, one scholar has remarked that the Third Circuit's approach to materiality is simply "*Oscar* in another guise." Langevoort, Basic *at Twenty: Rethinking Fraud on the Market*, 2009 Wisc. L. Rev. 151, 190 (2009).

(Br. 43, 45), that proof of price impact "will not itself constitute or proximately cause the relevant economic loss." *Dura*, 544 U.S. at 342.

The decision below makes that clear. The court of appeals observed that "the causal connection between an allegedly false statement and the price of the stock may be proved *either* by an increase in stock price immediately following the release of positive information," *i.e.*, by showing *price inflation* in response to falsity, "*or* by showing negative movement in the stock prices after release of the alleged 'truth' of the earlier falsehood," *i.e.*, price declines properly correlated to corrective disclosures. Pet. App. 116a (emphasis added). Thus, a plaintiff need only show that the misrepresentation affected market price in the first instance, not that the misrepresentation caused the later loss.

While *Oscar* sometimes used the shorthand "loss causation," it did so only in the context where—as here—a plaintiff *cannot* directly show that the misrepresentation initially moved the market price and therefore attempts to prove the misrepresentation's price impact by showing that the price declined following allegedly corrective disclosures. The evidence and analysis for determining whether later price declines raise an inference that the misrepresentation distorted market price necessarily overlap to some degree with that of loss causation. Cf. *Dura*, 544 U.S. at 343 (recognizing that a price decline "may reflect not the earlier misrepresentation," but a "tangle of [other] factors affecting price"). But the overlap is only partial: Unlike a plaintiff proving loss causation, a plaintiff proving price impact need not provide "quantification of damages" or show what "percentage of the drop was attributable to the corrective disclosure," but need only make "some empirically-based showing that the corrective disclosure was more than just present at the scene." *Oscar*, 487 F.3d at 271. Regardless of how

the plaintiff opts to proceed, the Fifth Circuit (like the Second Circuit) requires only that the misrepresentation affect market price for the presumption of reliance to be sustained.

Assessing whether the plaintiff proved price impact in this way does not improperly conflate reliance and loss causation. Pet. Br. 42-43, 46; U.S. Br. 7-8. *Basic* holds that a defendant may rebut the presumption by refuting the elements of the presumption (*e.g.*, market efficiency) or by making "*[a]ny* showing that severs the link between the alleged misrepresentation and *either* the price received (or paid) by the plaintiff, *or* his *decision to trade* at a fair market price." 485 U.S. at 248 (emphasis added). Thus, a demonstrated absence of *either* price impact *or* transaction causation rebuts the presumption of reliance. That makes sense, since if either is lacking there is no reason to presume that plaintiffs relied on misrepresentations via the market price.

B. Neither *Basic* Nor Rule 301 Relieve Plaintiffs Of The Ultimate Burden Of Showing That Rule 23's Requirements Have Been Met

Under *Basic*, the fraud-on-the-market theory of class-wide reliance is rebutted whenever a defendant makes "*[a]ny* showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff." 485 U.S. at 248 (emphasis added). When that occurs, plaintiffs must reforge the severed link to re-establish the presumption, or demonstrate that, despite the presumption's failure, all of Rule 23's requirements are nonetheless met.

1. In establishing the fraud-on-the-market presumption, *Basic* invoked Federal Rule of Evidence 301. See 485 U.S. at 245. Under Rule 301, an initial burden of production may shift to the defendant, but the presumption "does *not* shift * * * the burden of proof in the sense

of the risk of nonpersuasion, which remains throughout the trial upon the party on whom it was originally cast." Fed. R. Evid. 301 (emphasis added). In other words, despite the fraud-on-the-market presumption, plaintiffs always retain the ultimate burden of proof. Thus, for purposes of class certification, the successful rebuttal of the presumption of reliance requires that class certification be denied unless plaintiffs can show that the market price was in fact distorted or otherwise can satisfy Rule 23.

Instead of invoking Rule 301 itself, the Fund relies on the Advisory Committee's notes to a version of Rule 301 *that Congress rejected*. See Pet. Br. 36. The *Federal Practice and Procedure* treatise reprints the text invoked by the Fund under the heading "Advisory Committee's Note To *Rejected* Rule 301." 21B Wright & Graham, *Federal Practice and Procedure* 344 (2d ed. 2005) (emphasis added). The distinction between the real Rule 301 and the rejected Rule 301 is significant. Had Congress adopted the rejected Rule 301 (and had *Basic* still cited it), that would have been powerful evidence for a strong presumption placing, as the Fund would have it, "the burden of both production and persuasion on defendants." Pet. Br. 36. But Congress rejected that version precisely to prevent shifting the burden of proof. Motivated by a firestorm of protest, Wright & Graham, *supra*, § 5121, at 355-359 (describing "[t]he Congressional battle"), both Houses of Congress opposed that burden shifting. See House and Senate Judiciary Comm. Notes on Fed. R. Evid. 301, 28 U.S.C. App., pp. 323-324 (2006 ed.).[7] Explaining the vast difference between adopted Rule 301 and the former proposed Rule 301, the Conference Committee Report declared that a presumption against a

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[7] These notes are part of "the commentary to Rule 301," Pet. Br. 36, and are printed with the Advisory Committee's notes to the rejected Rule.

party "does *not* shift to that party the burden of persuasion on the existence of the presumed fact." *Id.* at 324 (emphasis added).

Notwithstanding Rule 301's text and history, the Fund seems to read *Basic* as adopting a presumption of the sort that was contemplated but rejected in Rule 301. See Pet. Br. 36. But Rule 301 specifically *prohibits* such a novelty. The Rule applies "[i]n all civil actions and proceedings not otherwise provided for *by Act of Congress or by these rules*." Fed. R. Evid. 301 (emphasis added). In adopting a rebuttable presumption while citing Rule 301, *Basic* clearly intended to incorporate, not depart from, the standards of Rule 301.

2. Under those principles, once plaintiffs successfully invoke the presumption of reliance, defendants have "the burden of going forward with evidence to rebut or meet the presumption," Fed. R. Evid. 301—and that is all. A defendant has no duty to "establish the nonexistence" of the fraud-of-the-market prerequisites, as the rejected Rule and the Fund would have it. See Pet. Br. 36. Rather, if defendants cast sufficient doubt on the presumption—that is, if there is enough that a reasonable fact-finder *could* believe that the "link" between the alleged misrepresentation and the price has been "sever[ed]," *Basic*, 485 U.S. at 248, then defendants have rebutted the presumption.

The very case cited by the Fund (Br. 36 n.12) makes that clear. In *ITC Ltd.* v. *Punchgini, Inc.*, 482 F.3d 135, 149 (2d Cir. 2007), the court addressed the presumption of abandonment of a trademark. It held that rebuttal under Rule 301 need not conclusively establish the nonexistence of a fact. Instead, rebuttal is sufficient "as long as the [proffered] evidence *could* support a reasonable jury finding of 'the nonexistence of the presumed fact.'" *Ibid.* (citation omitted and emphasis added). Thus, following "a *prima facie* case of abandonment under the

Lanham Act," the opposing party need "come forward only with such contrary evidence as, when viewed in the light most favorable to [that party], would *permit* a reasonable jury to infer that it had not abandoned the mark." *Ibid.* (emphasis added). At that point, the plaintiff must meet his burden of persuasion. *Ibid.*

The modesty of the economic reasoning that undergirds *Basic*'s presumption also weighs strongly against placing a heavy rebuttal burden on defendants. The four-Justice majority in *Basic* invoked the theory with some tentativeness, relying on "common sense," "probability," "recent empirical studies," and the "applau[se]" of three "commentators," 485 U.S. at 246, to conclude only that "[i]t is *not inappropriate* to apply a presumption of reliance supported by the fraud-on-the-market theory." *Id.* at 250 (emphasis added). *Basic*, moreover, rested on an efficient-market theory that was hotly disputed even when *Basic* was decided. For one thing, rather than relying on the integrity of the market price, many investors attempt to locate undervalued stocks in an effort to "beat the market," thus "betting that the market for the securities they are buying is in fact inefficient." Macey, *The Fraud on the Market Theory: Some Preliminary Issues*, 74 Cornell L. Rev. 923, 925 (1989). Skepticism has grown since: "Doubts about the strength and pervasiveness of market efficiency are much greater today than they were in the mid 1980s." Langevoort, Basic *at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. 151, 175 (2009). And the fraud-on-the-market "regime established in *Basic*" has been criticized for shift[ing] money from one shareholder pocket to another at enormous expense." Pritchard, Stoneridge Investment Partners *v.* Scientific Atlanta: *The Political Economy of Securities Class Action Reform*, 2008 Cato S. Ct. Rev. 217, 218 (2008). These concerns weigh dispositively against con-

verting fraud-on-the-market reliance from an ordinary presumption to a categorical imperative.

3. A defendant in this context meets his "burden of going forward with evidence to rebut or meet the presumption," Fed. R. Evid. 301, by making "*[a]ny showing* that severs the link between the alleged misrepresentation and * * * the price received (or paid) by the plaintiff," such as evidence that "the misrepresentation in fact did not lead to a distortion of price." *Basic*, 485 U.S. at 248 (emphasis added). As the Second Circuit has explained, a defendant need only "*submi[t] evidence* to show that the misrepresentations did not affect market price." *Salomon*, 544 F.3d at 485 (emphasis added). And in the Fifth Circuit, "the link [can be] severed by publicly available information that the misrepresentation didn't move the stock price." *Oscar*, 487 F.3d at 265. Even the Fund—while disputing its relevance at class certification—concedes that evidence showing a lack of "'price impact' * * * at the time of the misstatement" would rebut the presumption. Pet. Br. 45; accord U.S. Br. 20.

The evidence submitted here more than adequately rebutted the presumption that investors "relied" on alleged misrepresentations by relying on the market price, because it severed the link between Halliburton's alleged misrepresentations and that market price. Indeed, the Fund's own expert report and event study revealed that Halliburton's stock price did *not* react to any of the alleged misrepresentations when made. J.A. 349a, 391a-394a, 526a, 664a, 721a. And the Fund has never argued to the contrary. Pet. App. 7a n.11, 11a, 116a. Halliburton, moreover, submitted its own expert report and supporting documents, which, along with an examination of the disclosures, showed that none of the price declines on which the Fund relies were attributable to disclosures that corrected the truth of any previous misrepresenta-

tion. J.A. 469a-537a, 691a-721a. This showing constitutes ample evidence that the misrepresentation did not affect the market price, and therefore rebuts the presumption of reliance.

C. Plaintiffs Failed To Respond To The Rebuttal By Showing That The Misrepresentation Distorted The Market Price Or By Otherwise Satisfying Rule 23

When a defendant successfully rebuts the presumption of reliance, the plaintiff must come forward in reply with sufficient proof to either re-establish the presumption or satisfy Rule 23 in some other way.

1. This Court regularly follows that pattern in other contexts. For example, in Title VII cases, a plaintiff who shows membership in a protected class, qualification for a job, and rejection, is entitled to a presumption that he was subjected to discrimination. *Texas Dep't of Community Affairs* v. *Burdine*, 450 U.S. 248, 252-254 (1981). The defendant then must rebut the presumption of discrimination (by producing evidence of legitimate and neutral reasons) with evidence that *could* be believed by the trier of fact. See *id.* at 254 & n.8. If the presumption is so rebutted, then the plaintiff must prove the discrimination case. See *id.* at 255 n.10, 256.

The same approach applies here. To invoke the fraud-on-the-market presumption, the plaintiff must show "threshold facts," such as that material misstatements were relayed to an efficient market. See, *e.g.*, *Basic*, 485 U.S. at 248 n.27. The party opposing certification can rebut the fraud-on-the-market presumption with "any showing" severing the link between the misrepresentation and the price paid by plaintiff. *Id.* at 248-249; Part I.B., *supra*. At that point, the plaintiff must meet the burden of satisfying the Rule 23 factors nonetheless—by either establishing price impact by a preponderance of

the evidence or by otherwise demonstrating why common issues predominate despite individualized issues of reliance.

Consistent with that approach, the Second Circuit has held that once the defendant "submit[s] evidence to show that the misrepresentations did not affect market price," *Salomon*, 544 F.3d at 485, the ultimate burden shifts back to the plaintiff. Thus, "[i]f defendants attempt to make a rebuttal * * * the district judge must receive enough evidence * * * to be satisfied that each Rule 23 requirement has been met." *Id.* at 486. Similarly, in the Fifth Circuit, once the presumption of reliance is rebutted by evidence that "the misrepresentation didn't move the stock price," the plaintiff bears the ultimate burden to prove that "the misstatement actually moved the market." *Oscar*, 487 F.3d at 265.

2. The Fund failed to meet that burden here. Conceding that the misrepresentations did not move the stock price when made, the Fund urged that one could *infer* price impact because Halliburton's stock price declined following "corrective disclosures" that revealed the alleged falsity of the challenged statements. For such a price decline to have probative value as to whether the misrepresentation affected the stock price, however, the price decline must follow a disclosure that is *corrective* of the misrepresentation—*i.e.*, one that reveals the truth obscured by the previous misrepresentation, as opposed to a price decline that follows the release of other negative information. *Basic*, 485 U.S. at 249 (referencing price impact after "corrective statements"); *Oscar*, 487 F.3d at 265; *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29, 41 (2d Cir. 2009) (declining to certify class absent "sufficient evidence on which the lower court could conclude that any of the events revealed the truth about the subject of any of Defendants' alleged misstatements"). A price decline following the release of

mere negative information that does not correct any previous misrepresentation is no indication that the alleged misrepresentation inflated the market price.

To ensure that it was the *misrepresentation* that affected the market price, a plaintiff must show that a later price decline is attributable to the corrective disclosure and not to general market declines or other information unrelated to the truth of the alleged misrepresentation. Pet. App. 117a-118a; *Salomon*, 544 F.3d at 485 (courts must assess whether "other statements in the 'sea of voices' of market commentary were responsible for price discrepancies" instead of the alleged misrepresentation). These requirements parallel the prerequisites this Court recognized when dealing with the issue of loss causation. See *Dura*, 544 U.S. at 347 (requiring price decline "after the truth became known"). *Dura* recognized that a price decline "may reflect *not the earlier misrepresentation*, but changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other events, which taken separately or together account for some or all of that lower price." *Id.* at 343 (emphasis added). It is unremarkable that statistically valid proof is required, and that non-fraud causes must be eliminated, to prove a misrepresentation's price impact; junk evidence and unproven correlations are insufficient proof across legal contexts. Indeed, *Basic* itself recognized that invoking the presumption of reliance could overlap with concepts of loss causation, noting that the class's invocation of the rebuttable presumption "established the threshold facts for *proving their loss*." *Basic*, 485 U.S. at 248 (emphasis added).

In this case, the evidence fell woefully short of the required showing. Although the Fund attempted to rely on an inference from later events—disclosures that coincided with declines in price—it utterly failed to show that the declines were properly attributed to correction of the

misrepresentations it challenged. Pet. App. 123a-136a; pp. 46-51, *supra*. Because the absence of price impact prevented the Fund from sustaining the presumption of reliance—and because, absent the presumption, individual issues indisputably predominate—the Fifth Circuit properly affirmed the denial of class certification.

II. Under Both *Basic* And Rule 23, Defendants May Rebut The Presumption Of Reliance At The Class-Certification Stage

The Fund does not dispute that *Basic*'s "rebuttable presumption" is pivotal to the propriety of certification. But it nonetheless urges that defendants cannot seek to defeat certification by rebutting that presumption. That contention is unsound. The essential premise underlying *Basic*'s presumption is that, if the misrepresentations affect the market price, the entire class presumptively relies because most purchasers rely on the market price's integrity. Where a defendant can rebut the presumption of classwide reliance by showing that the alleged misrepresentation did not affect the market price, however, there can be no classwide proof of reliance and individual issues of reliance will predominate. The Fund's and the Government's contrary arguments rest primarily on their effort to characterize the issue as a question of "loss causation" rather than classwide reliance. But once that label is removed, the propriety of addressing this threshold predominance issue at the certification stage becomes apparent. Plaintiffs cannot simultaneously rely upon a rebuttable presumption to obtain certification, while denying defendants the ability to defeat certification by rebutting the presumption.

A. Plaintiffs Seeking Certification Must Present Evidence That They Have Satisfied The Rule 23 Requirements Even If That Evidence Overlaps With The Merits

1. Notwithstanding how it framed the second question presented, the Fund (like the Government) now agrees that courts ruling on certification motions may consider facts that overlap with the merits. Pet. Br. 47; U.S. Br. 23-24. That concession is well founded. Rule 23(b)(3) requires plaintiffs to present enough evidence for the court to "*find[]* that the questions of law or fact common to class members predominate over any questions affecting only individual members." Fed. R. Civ. P. 23(b)(3) (emphasis added).

This Court thus has long recognized that "[e]valuation of many of the questions entering into determination of class action questions is intimately involved with the merits of the claims." *Coopers & Lybrand* v. *Livesay*, 437 U.S. 463, 469 n.12 (1978). As a result, "sometimes it may be necessary for the court to probe behind the pleadings before coming to rest on the certification question." *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 160 (1982). A court must therefore take "a close look at the case before it is accepted as a class action," *Amchem Prods., Inc.* v. *Windsor*, 521 U.S. 591, 615 (1997), which requires a "rigorous analysis" of the Rule 23 requirements. *Falcon*, 457 U.S. at 161.

Courts of appeals thus regularly recognize that "[t]he Rule 23 requirements must be established by at least a preponderance of the evidence." *Brown* v. *Kelly*, 609 F.3d 467, 476 (2d Cir. 2010); see also *Alaska Elec. Pension Fund* v. *Flowserve Corp.*, 572 F.3d 221, 229 (5th Cir. 2009); *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 307, 320 (3d Cir. 2008). The preponderance-of-the-evidence standard recognizes that "the requirements

of Rule 23 must be *met*, not just supported by some evidence." *In re Initial Pub. Offerings Sec. Litig.*, 471 F.3d 24, 33 (2d Cir. 2006) (*IPO*) (emphasis added). Plaintiffs must provide the district judge with "enough evidence, by affidavits, documents, or testimony, to be satisfied that each Rule 23 requirement has been met." *Id.* at 41. In this Court's words, "actual, not presumed, conformance * * * remains * * * indispensable." *Falcon*, 457 U.S. at 160; *Vega* v. *T-Mobile USA, Inc.*, 564 F.3d 1256, 1268-1270 (11th Cir. 2009).

"[B]ecause each requirement of Rule 23 must be met," moreover, "a district court errs as a matter of law when it fails to resolve a genuine legal or factual dispute relevant to determining the requirements." *Hydrogen Peroxide*, 552 F.3d at 320. "Tough questions must be faced and squarely decided, if necessary by holding evidentiary hearings and choosing between competing perspectives." *West* v. *Prudential Sec., Inc.*, 282 F.3d 935, 938 (7th Cir. 2002). For example, "when an expert's report or testimony is critical to class certification, * * * a district court must conclusively rule on any challenge to the expert's qualifications or submissions prior to ruling on a class certification motion." *Am. Honda Motor Co., Inc.* v. *Allen*, 600 F.3d 813, 815-816 (7th Cir. 2010). As the Second Circuit has explained, a district court must make a "'definitive assessment of Rule 23 requirements, notwithstanding their overlap with merits issues,' and *must* resolve material factual disputes relevant to each Rule 23 requirement." *Brown*, 609 F.3d at 476 (quoting *IPO*, 471 F.3d at 41; emphasis added).

2. Despite those longstanding rules, the Seventh Circuit last year became the first court of appeals to hold that a class may be certified under the fraud-on-the-market presumption without considering whether the alleged misrepresentations affected the market price. *Schleicher* v. *Wendt*, 618 F.3d 679 (7th Cir. 2010). The

court hyperbolically equated the Second and Fifth Circuits' requirement "that the contested statements actually caused material changes in stock prices" to an "insist[ence] that before a class can be certified plaintiffs must prove everything (except falsity) to win on the merits." *Id.* at 683. Price impact, the Seventh Circuit, declared, is a "questio[n] on the merits" that "affect[s] investors alike," and is therefore categorically excluded from consideration at the class-certification stage. *Id.* at 685.

That is incorrect. The Seventh Circuit ignored this Court's ruling in *Basic* that a defendant may "rebut the presumption of reliance" by "showing that the misrepresentation in fact did not lead to a distortion of price." *Basic*, 485 U.S. at 248. It likewise ignored *Basic*'s recognition that the presumption of reliance is essential to a plaintiff's ability to satisfy Rule 23(b)(3)'s predominance requirement. *Id.* at 242. And it is in serious tension with the Seventh Circuit's own prior recognition that class-certification issues will often overlap with the merits. See *Am. Honda*, 600 F.3d at 815.[8]

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[8] *Schleicher* also rests on the false premise that the Fifth Circuit requires proof of loss causation to establish price impact. *Schleicher*'s hypothetical scenario of injured plaintiffs who would be precluded from class certification by the Fifth Circuit's rule (recounted at Pet. Br. 44) is simply wrong. In the hypothetical case, class certification *would be allowed* under the Fifth Circuit's approach because the misrepresentation "increase[d] a stock's price by $1 a share," *Schleicher*, 618 F.3d at 686—and price impact "may be proved * * * by an increase in stock price immediately following the release of positive information." Pet. App. 116a. The same hypothetical also wrongly presumes that a corrective disclosure may come only from the company, *Schleicher*, 619 F.3d at 686-687, when in fact such disclosures may come from a third party. *Nathenson* v. *Zonagen, Inc.*, 267 F.3d 400, 416 (5th Cir. 2001) (corrective disclosures contained in research report from a short seller).

3. *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156 (1974), is not to the contrary. In that case, the Court stated that there is "nothing in either the language or history of Rule 23 that gives a court any authority to conduct a preliminary inquiry into the merits of a suit in order to determine whether it may be maintained as a class action." *Id.* at 177. But an over-expansive reading of that language cannot be reconciled with *Coopers & Lybrand* and *Falcon*, both of which recognize that merits and certification issues may overlap. See *Coopers & Lybrand*, 437 U.S. at 469 & n.12; *Falcon*, 457 U.S. at 160.

The point of *Eisen* was not that any overlap with the merits is categorically off limits. As the Second Circuit has observed, *Eisen*'s dictum "was made in a case in which the district judge's merits inquiry had *nothing to do with determining the requirements for class certification.*" *IPO*, 471 F.3d at 33 (emphasis added). Rather, "the district court, after determining that the case was appropriate for class certification, was concerned with which side should bear the cost of notice to the class." *Ibid.* Thus, the statement in *Eisen* should not be "taken out of context and applied in cases where a merits inquiry either concerns a Rule 23 requirement or overlaps with such a requirement." *Id.* at 34. No merits inquiry should be undertaken at the class certification stage unless "necessary to determine a Rule 23 requirement," *Hydrogen Peroxide*, 552 F.3d at 317, but a court may do so for the *different* inquiry into whether a potential class has satisfied its burden under Rule 23.

B. Courts May Consider The Propriety Of Presuming Classwide Reliance When Deciding Class-Certification Issues

1. The Fund and the Government do not deny that courts may consider issues relevant to class certification under Rule 23 even if those issues overlap with the merits. They simply assert that the question the district

court and the Fifth Circuit resolved below—whether the alleged misrepresentations distorted the stock's market price—is irrelevant to Rule 23's requirement that common issues predominate.

But that issue is plainly relevant for the reasons given above. See pp. 15-17, *supra*. *Basic* established the presumption of reliance to enable plaintiffs to satisfy Rule 23(b)(3)'s requirement that common issues predominate by making otherwise individualized issues of reliance subject to classwide proof. 485 U.S. at 228, 230, 242. It did so in the context of upholding a district court's certification of a class. *Id.* at 250. And it recognized that, absent the presumption, "[r]equiring proof of individualized reliance * * * effectively would have prevented [plaintiffs] from proceeding with a class action, since individual issues then would have overwhelmed the common ones." *Id.* at 242.

The Fund and the Government do not dispute that the presumption of reliance is vital to a plaintiff's ability to satisfy Rule 23(b)(3). Given that, it is hard to see how rebuttal of that presumption through a showing that severs the link between the misrepresentation and the presumptively-relied-upon price would not be fatal to class certification. Precisely because the presumption of reliance is essential to proving predominance, "successful rebuttal" must "*defea[t]* certification by defeating the Rule 23(b)(3) predominance requirement." *Salomon*, 544 F.3d at 485; accord *Oscar*, 487 F.3d at 264 ("without [the fraud-on-the-market] presumption, questions of individual reliance would predominate, and the proposed class would fail"); *IPO*, 471 F.3d at 43 ("[w]ithout the *Basic* presumption, individual questions of reliance would predominate over common questions" in most securities actions). Indeed, the predominance inquiry "cannot be made without determining whether defendants can successfully rebut the fraud-on-the-market presumption." *Salomon*, 544 F.3d

at 485. Consequently, the defendant's rebuttal must be considered "prior to class certification." *Id.* at 484.

2. The Fund and the Government assert that a misrepresentation's impact on market price is a "merits" issue unsuitable for consideration prior to class certification. See, *e.g.*, Pet. Br. 3, 25, 35, 36, 40, 47, 48; U.S. Br. 7-8, 22-24. But, as explained above, "[a] contested [Rule 23] requirement is not forfeited in favor of the party seeking certification merely because it is similar or even identical to one normally decided by a trier of fact." *Hydrogen Peroxide*, 552 F.3d at 318.

Rebuttal evidence regarding a misrepresentation's impact on stock price is not considered at class certification to resolve the merits element of reliance (or loss causation). Rather, rebuttal evidence is considered at class certification to assess whether plaintiff may sustain the *classwide* presumption of reliance that exists when a misrepresentation affects the price of stock, and the *class* of plaintiffs claims to have relied on the misrepresentations by relying on the distorted market price. So long as the courts properly recognize that they may address the price impact of the misrepresentation only for purposes of determining whether reliance is best proved classwide or on an individualized basis, it is not error to consider it—any more than it would be error to consider the absence of a common policy affecting all class members in a discrimination case, or the absence of a uniform misrepresentation in a face-to-face fraud case. To the contrary, because classwide reliance is necessary to certification under Rule 23, the district court *must* address that issue.

Putative "merits" issues often bear on the propriety of certification. *Basic* recognizes that "in order to invoke the presumption, a plaintiff must allege and prove" (among other things) that "the misrepresentations were

material." 485 U.S. at 248 n.27.[9] As a result, virtually all of the courts of appeals to consider the issue have held that a plaintiff must establish materiality to invoke the presumption of reliance and obtain class certification.[10] The Fund itself has previously conceded that a plaintiff must show materiality in order to obtain class certification via the presumption of reliance. Pet. 13, 19.[11]

That makes sense. If a misrepresentation is not material, or is not "transmitted through the market price," *Basic*, 485 U.S. at 248, there is no reason to presume that it induced classwide reliance. While materiality and price impact also happen to be merits-related issues, the fact that they are essential to sustaining the presumption of reliance means that they must be assessed at the class certification stage to determine whether individual issues predominate. See *Salomon*, 544 F.3d at 484 (considering

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[9] Although the Court was describing the court of appeals' holding, it plainly adopted the lower court's materiality prerequisite as its own. *Basic*, 485 U.S. at 248 n.27 ("Given today's decision regarding the definition of materiality * * *, elements (2) and (4) may collapse into one."); see also *Dura*, 544 U.S. at 342 (describing the *Basic* presumption as applying to "material misrepresentation[s]").

[10] *Desai* v. *Deutsche Bank Sec. Ltd.*, 573 F.3d 931, 940 (9th Cir. 2009); *Salomon*, 544 F.3d at 481; *Oscar*, 487 F.3d at 264-265; *In re Poly-Medica Corp. Sec. Litig.*, 432 F.3d 1, 8 n.11 (1st Cir. 2005); *In re PEC Solutions, Inc. Sec. Litig.*, 418 F.3d 379, 387 (4th Cir. 2005); *Gebhardt* v. *ConAgra Foods, Inc.*, 335 F.3d 824, 831 (8th Cir. 2003); *Oran* v. *Stafford*, 226 F.3d 275, 282 (3d Cir. 2000) (Alito, J.); but see *Schleicher*, 618 F.3d at 687. While the Seventh Circuit rejected materiality as a prerequisite to class certification in *Schleicher*, Judges Easterbrook and Posner had previously referred to the "fraud on the market doctrine" as involving "material misstatements." *Stark Trading* v. *Falconbridge Ltd.*, 552 F.3d 568, 572 (7th Cir. 2009)

[11] The Fund apparently no longer believes that materiality is a prerequisite to invoking the presumption of reliance (Pet. Br. 27, 32), no doubt because that would destroy its argument that "merits" elements cannot be considered prior to class certification.

price impact even though it "is identical to an issue on the merits"). In other words, if a plaintiff invokes the fraud-on-the-market presumption to satisfy Rule 23(b)(3), a defendant's rebuttal is nothing but a challenge to certification under Rule 23(b)(3), even though defendants might use similar arguments to challenge the presumption when litigating the merits.[12]

For similar reasons, the Fund's Seventh Amendment argument (Pet. Br. 62-64) is meritless. The Seventh Amendment has *never* precluded district courts from making initial factual determinations relevant to procedural issues. See, *e.g.*, *Shepard* v. *United States*, 290 U.S. 96, 101-102 (1933) (dying declaration may be inadmissible if party "satisfies the judge" it is unreliable). And *denial* of certification—much less allowing rebuttal of an asserted basis for predominance—cannot infringe "the right of trial by jury." U.S. Const. amend. VII. It determines only the form of a suit, individual or class, and not whether it gets to a jury at all.[13] Finally, and most fundamentally, rebuttal of the presumption at the class-certification stage does not address the merits of a 10b-5

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[12] For that reason, the Fund errs in citing cases like *PolyMedica*, 423 F.3d at 7 n.10, and *Kaplan* v. *Rose*, 49 F.3d 1363, 1378 n.3 (9th Cir. 1994), for the proposition that any rebuttal *must* be at trial. See Pet. Br. 35. The cited language means only that that rebuttal can *also* be at trial, at least where the rebuttal seeks to disprove a merits element. Thus, *PolyMedica* recognized that, "assuming the plaintiff gets the benefit of the rebuttable presumption at the class-certification stage, the defendant may *still* rebut this presumption at trial." 423 F.3d at 7 n.10 (emphasis added). And *Kaplan* simply held that *summary judgment* was not appropriate on an issue because, in light of the conflicting evidence, "the *ultimate* resolution of this question is an issue for trial." 49 F.3d at 1378 n.3 (emphasis added).

[13] The Fund's complaint that summary judgment requires a higher showing than a preponderance, see Pet. Br. 63, is thus short of the mark. Summary judgment disposes of an issue on the merits and for good; denial of certification is not a merits determination.

claim; it addresses a Rule 23 issue. Whether the requirements of Rule 23 are satisfied is never a jury question. Rule 23(b)(3) certification depends on whether "*the court finds*" the prerequisites satisfied. The court's Rule 23 determinations do not bind the trier of fact, whether ultimately in a class or individual action. See, *e.g.*, *Flowserve*, 572 F.3d at 229; *Hydrogen Peroxide*, 552 F.3d at 317-318 & n.19; *IPO*, 471 F.3d at 41.

3. The Fund's primary argument seems to be that a misrepresentation's impact on market price may not be considered at class certification because price impact is by definition an issue common to the class. See, *e.g.*, Pet. Br. 39, 49; U.S. Br. 7, 17; *Schleicher*, 618 F.3d at 685 (rejecting consideration of price impact because it "affects all investors alike"). But that misconceives the relevant inquiry. A question must be resolved prior to class certification where it sheds light on whether common issues predominate over individual ones. The absence of price impact stemming from a misrepresentation is precisely such an issue. Absent price impact there can be no basis for assuring classwide reliance on the misrepresentation via the market price; as a result, individual issues predominate. It makes no difference that the *reason* for a lack of predominance is "common" to all class members. A court may not certify a class if Rule 23(b)(3) is unmet, regardless of whether the reason it is not met applies uniformly.[14]

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[14] The Fund and the Government suggest that a district court within the Second Circuit does not consider common rebuttal issues prior to class certification, at least with respect to "loss causation." See Pet. Br. 39; U.S. Br. 18. But that is not true with respect to price impact, even when price impact is purportedly shown through declines following allegedly corrective disclosures. *Salomon*, 544 F.3d at 484 (holding that defendant may "rebut the presumption * * * by showing * * * the absence of a price impact"); *In re Am. Int'l Group, Inc. Sec. Litig.*, 265 F.R.D. 157, 182, 186-188 (S.D.N.Y. 2010) (declining to

The Fund's own concessions illustrate the fallacy of its position. The Fund concedes that market efficiency must be established prior to class certification. *Basic*, 485 U.S. at 247 & n.27; Pet. Br. 48 & n.15. But whether a stock trades in an efficient market is, like price impact, an issue common to all members of the class. Yet the Fund correctly recognizes that market efficiency is relevant to class certification and subject to rebuttal at that stage because, without it, the presumption of reliance fails and individual issues predominate. The same is true of a misrepresentation's impact on market price.

Basic recognizes that defendants may rebut the presumption of reliance by "rebut[ting] proof of" any of "the elements giving rise to the presumption," including the "threshold facts" necessary for invoking the presumption, such as materiality and market efficiency. 485 U.S. at 248. The Fund can identify no reason why some evidence rebutting the presumption can be considered at class certification, see Pet Br. 35 (admitting that "defendants can challenge at class certification plaintiffs' evidence of market efficiency"), while rebuttal evidence showing a lack of price impact cannot. Both rebut the presumption of classwide reliance. And, in doing so, both make it all but impossible for a plaintiff to establish that common issues predominate over individual ones.

Ultimately, the Fund and its *amici* misunderstand the nature of the certification inquiry. The fact that evidence *rebutting predominance* is subject to common proof cannot be the "common question" that unites all class members. That would convert the question the court must answer in deciding class certification into a common issue that makes certification appropriate. Yet that circular

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certify class with respect to two alleged misrepresentations because stock price did not significantly decline following alleged corrective disclosures).

reasoning is effectively what the Fund and its *amici* ask this Court to adopt: They urge this Court to treat whether or not plaintiffs may assert classwide reliance based on a distorted market price as a common question favoring certification. But whether there was a distorted market price upon which presumptive reliance can be premised is the very question that determines whether there is a classwide reliance issue that unites class members or whether there are instead individualized reliance issues that separate them.

4. The case law on which *Basic* relied in creating its presumption of reliance demonstrates that the Court did not intend to create a rebuttable presumption for use at certification, yet—with no explanation—render that "rebuttable presumption" *irrebuttable* at certification. *Basic* invoked the presumption of reliance in *Affiliated Ute Citizens of Utah* v. *United States*, 406 U.S. 128, 153-154 (1972), which arises when an issuer makes material omissions despite a duty to disclose. See *Basic*, 485 U.S. at 243, 245. Courts have always understood that the *Affiliated Ute* presumption was rebuttable at the class-certification stage. Less than a month before *Basic* was handed down, for instance, the Eleventh Circuit spent considerable energy deciding whether "[t]he presumption, derived from *Ute*" had been rebutted by the defendant. *Ross* v. *Bank South, N.A.*, 837 F.2d 980 (11th Cir. 1988). That discussion, *id.* at 993-998, took place in Part II, "Class Certification"—*not* in Part III, "Merits," where the Fund's theory would place it.[15] While the court

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[15] The Eleventh Circuit subsequently took the case *en banc*, where (as to some issues) it departed from the panel, finding no securities-fraud violation. See *Ross* v. *Bank South, N.A.*, 885 F.2d 723, 732 (11th Cir. 1989) (*en banc*). The panel opinion thus is cited here merely as an illustration of when the presumption could be rebutted (a conclusion unchallenged by the *en banc* court).

concluded that defendants had not successfully rebutted the presumption, *id.* at 997, it went out of its way to emphasize that it did "not, of course, intend to preclude a district court from exercising its discretion in a proper case to *deny certification*" in cases where rebuttal was successful. *Id.* at 996 n.11 (emphasis added).

The Fund places great weight on a single phrase buried in a single footnote in *Basic* to support its claim that defendant's rebuttal must be made at "trial." Pet. Br. 35 (citing 485 U.S. at 249 n.29); see also U.S. Br. 7, 16-17. The footnote, however, discusses a specific scenario where, "despite petitioners' allegedly fraudulent attempt to manipulate market price, news of the merger discussions credibly entered the market and dissipated the effects of the misstatements." *Basic*, 485 U.S. at 248-249. In that context, the Court reasoned that a defendant could show at "trial" that certain members of the class—"those who traded *Basic* shares *after the corrective statements*"—lacked a "connection to the fraud." *Id.* at 249 & n.29 (emphasis added). If some plaintiffs were excluded from the class for this reason, the Court explained, "the District Court retain[s] the authority to amend the certification order as may be appropriate." *Id.* at 249 n.29.

The Court's statement that "[p]roof *of that sort* is a matter for trial" means at most that, if new information comes to light pertaining to *class definition*, the Court may amend the certification order at trial. It does not mean that defendants cannot, to oppose class certification, show that the presumption of reliance is inapplicable across the board. Such a reading of footnote 29 would set that language at war with the rest of *Basic*, which repeatedly recognizes that a variety of challenges to the presumption, including whether the market was efficient and whether the price was distorted by the alleged misrepresentations, are properly raised when resisting class certification.

In any event, *Basic* was decided when old Rule 23(c)(1)(C) allowed courts to avoid tough calls early on by conditionally certifying classes. 485 U.S. at 249 n.29. But *Basic* could not have predicted that dissatisfaction with a too-lenient practice would result in deletion of the authority to certify classes conditionally. And, as amended in 2003, Rule 23 requires reaching a certification decision "[a]t an early practicable time," Fed. R. Civ. P. 23(c)(1)(A), eliminating the old Rule's perceived urgency. Moreover, consistent with *Falcon*, 457 U.S. at 160, Rule 23 now permits certification only once the court is "satisfied that the requirements of Rule 23 have been met"—and if the court is not yet satisfied, the court "should refuse certification until [those requirements] have been met." Advisory Comm. Notes on Fed. R. Civ. P. 23 (2003 amends.), 28 U.S.C. App., p. 144 (2006 ed.). Consequently, courts now routinely hear expert testimony and resolve complex factual disputes at the class-certification hearing rather than postponing such issues until trial. Thus, even if *Basic*'s reference to proof at "trial" had any bearing on the timing of rebuttal evidence when *Basic* was decided, overreading that footnote would be particularly inadvisable now.

C. Postponing Consideration Of Rebuttal Evidence Until After Certification Harms Judicial Economy

The Fund's position effectively reduces to the claim that, although the presumption of reliance is rebuttable, defendants—already disadvantaged through plaintiffs' use of the presumption—should be rendered defenseless in opposing it at the certification stage.[16] That view does

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[16] Rebuttal is, in fact, one of few tools for already nearly defenseless certification-stage securities-fraud defendants. Nearly a decade ago, 94% of putative securities class actions were certified. Roosevelt,

not merely improperly render the rebuttable presumption conclusive at the class certification stage. Cf. *John R. Sand & Gravel Co.* v. *United States*, 552 U.S. 130, 137 (2008) ("the word 'rebuttable' means that the presumption is not conclusive"). It also imposes the enormous costs and pressures of class certification based upon a minimal showing, while requiring defendants to wait until trial to prove that the class should not have been certified in the first place.

1. That result cannot be reconciled with the notions of "fairness, public policy, * * * probability, [and] judicial economy," on which *Basic* relied in creating its presumption of reliance. 485 U.S. at 245. To defer for merits resolution questions essential to whether the case should have proceeded as a class action in the first instance is wasteful in the extreme. It is unfair to absent class members, who may suffer the preclusive effects of an adverse decision due to class counsel's decision to pursue certification based on a classwide reliance theory without ever examining whether absent class members could make a better showing individually. And "[t]he practical consequences of an expansion" for defendants are stark. *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 159, 163 (2008). The Court has repeatedly cautioned that "extensive discovery and the potential for uncertainty and disruption in a lawsuit allow plaintiffs with weak" securities fraud "claims to extort settlements from innocent companies." *Ibid.* (citing *Blue Chip Stamps* v. *Manor Drug Stores*, 421 U.S. 723, 740-741 (1975)).

That prospect is grave once a class is certified. Class certification is usually the entire ballgame for defendants. "Certification of a large class may so increase the

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Defeating Class Certification in Securities Fraud Actions, 22 Rev. Litig. 405, 407 (2003).

defendant's potential damages liability and litigation costs that he may find it economically prudent to settle and to abandon a meritorious defense." *Coopers & Lybrand*, 437 U.S. at 476; accord *Shady Grove Orthopedic Assocs., P.A.* v. *Allstate Ins. Co.*, 130 S. Ct. 1431, 1465 n.3 (2010) (Ginsburg, J., dissenting) ("A court's decision to certify a class * * * places pressure on the defendant to settle even unmeritorious claims"). Judge Friendly described such settlements as "blackmail." Friendly, *Federal Jurisdiction: A General View* 120 (1973). Certifying fraud-on-the-market classes without affording defendants the opportunity to rebut the presumption of reliance will inevitably lead to the settlement of countless marginal cases—indeed, cases that are not only meritless, but which never should have been certified—because the amounts at stake are simply too enormous to justify the risk of litigation. That, in turn, would give rise to more frivolous lawsuits. See Bone & Evans, *Class Certification and the Substantive Merits*, 51 Duke L.J. 1251, 1302 (2002). By allowing rebuttal prior to class certification, "[t]he law guards against a flood of frivolous or vexatious lawsuits." *Salomon*, 544 F.3d at 484.

2. "Concerns with the judicial creation of a private cause of action" under Section 10(b) also "caution against its expansion" here. *Stoneridge*, 552 U.S. at 165. The fact that the Fund's claim derives from a judicially created cause of action—*and* a judicially created presumption of reliance—doubly counsels against allowing certification of classes without offering defendants the opportunity of rebuttal. *Stoneridge*'s concerns about the Court's expansion of its own jurisdiction, *id.* at 164-165, are only compounded where the Court is asked to allow judicially implied claims to proceed as a far-reaching class without allowing rebuttal of a presumption the Court itself created to ease the burden of complying with Rule 23.

To be sure, the securities laws "seek to maintain public confidence in the marketplace * * * by deterring fraud." *Dura*, 544 U.S. at 345. But they are not intended "to provide investors with broad insurance against market losses." *Ibid.* (citing *Basic*, 485 U.S. at 252 (White, J., dissenting)). Allowing enormous classes to be certified based on a judicially created presumption where the evidence shows that the market price was not distorted hardly deters fraud. Rather, it punishes innocent defendants (and their current shareholders) who must settle cases after certification to avoid the massive risks and expense of litigation. Such settlements in effect provide "insurance against market losses"—such as the price declines here—that are not attributable to fraud by defendants. *Ibid.*; see *id.* at 347-348 (recognizing that a rule that promotes settlement of meritless cases improperly "transform[s] a private securities action into a partial downside insurance policy").[17]

D. A Defendant's Right To Rebuttal Should Not Be Denied At Class Certification Because Of A Purported Need For Merits Discovery

1. The Fund and the Government protest that it is unfair to assess whether a misrepresentation affected market price at the "threshold" class-certification stage without "merits discovery." Pet. Br. 52; U.S. Br. 26-27. But district courts are amply capable of deciding how much discovery is necessary before certification issues are resolved. Besides, given the extraordinary discovery pro-

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[17] The Fund (like the Seventh Circuit in *Schleicher*) argues that Congress's failure to amend the PSLRA to address the presumption of reliance somehow supports the Fund's position. But that argument merely presumes that existing law favors the Fund, and thus begs the question presented. Halliburton seeks nothing more than a proper application of *Basic* and Rule 23, not a judicial amendment to the securities laws.

vided in this case, those protests ring particularly hollow. The motion for class certification here was filed *five years* after the initial complaint, after Halliburton produced over *600,000 pages* of discovery. The Fund never asked the district court for additional discovery in connection with its class-certification motion. Nor did it claim that insufficient discovery hampered its effort to show that alleged misrepresentations affected market prices. To the contrary, the Fund argued that it had "satisfied th[at] burden through the submission of the Nettesheim expert report." J.A. 155a. It emphasized that Nettesheim reviewed "all publicly available, relevant information for the Class Period." *Ibid.* The Fund did not complain of insufficient discovery on appeal. Pet. C.A. Br. 52. Nor did its certiorari petition identify specific issues on which additional discovery was needed.

That is hardly surprising. In many cases, there will be scant reason for discovery before deciding certification issues. As *Oscar* observed, the "proof" for "the fraud on the market regimen" often "is drawn from public data and public filings." 487 F.3d at 267. *Basic* also recognized that, ruling that the presumption of reliance is assessed by considering "public" statements and the effect of those statements on "market price." 485 U.S. at 248. While the Government complains that "full consideration of loss causation is a detailed and complex inquiry," U.S. Br. 26, it does not identify any *discovery* that is necessary to determine whether misrepresentations moved the market. It may be that expert testimony is often required to demonstrate that stock-price movement resulted from the misrepresentation and not something else. U.S. Br. 27. But expert testimony is common in modern class-certification proceedings. And the necessity for expert testimony to evaluate *publicly available*

information does not show why discovery is needed to prove price impact before class certification.[18]

Securities-fraud plaintiffs already routinely use event studies and expert testimony to demonstrate market efficiency, which undisputedly must be proven to invoke the presumption. Cf. *Cammer* v. *Bloom*, 711 F. Supp. 1264, 1287 (D.N.J. 1989) (to establish market efficiency, a plaintiff must prove stock price reacted to unexpected company-specific news). The same event studies used to show market efficiency are often also used to show that the alleged misrepresentations affected the market price. See, *e.g.*, Fisher, *Does the Efficient Market Theory Help Us Do Justice in a Time of Madness?*, 54 Emory L.J. 843, 871, 878 (2005); *In re Xcelera.com Sec. Litig.*, 430 F.3d 503, 512 & n.10, 513 (1st Cir. 2005) (affirming finding of market efficiency where plaintiffs presented an "event study" showing that stock "reacted strongly" to corrective disclosures). The Fund did just that here, proferring the same event study to address both market efficiency and price impact. See J.A. 590a-592a.

In any event, even if there are some instances where "merits" discovery may be necessary to establish a misrepresentation's impact on market price, that is no reason to exclude consideration of this issue at class certification. Where disputed "merits" issues are relevant to the Rule 23 requirements, a district judge has ample discretion to permit necessary discovery—by plaintiffs seeking to prove price impact or defendants seeking to disprove it—before ruling on class certification. *Salomon*, 544 F.3d at 486; Advisory Comm. Notes on Fed. R.

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[18] After *Salomon*, district courts within the Second Circuit have routinely assessed price impact and certified classes based upon expert analysis of publicly available information. *E.g.*, *Am. Int'l Group*, 265 F.R.D. at 182, 186-188; *Fogarazzo* v. *Lehman Bros., Inc.*, 263 F.R.D. 90, 102-106 (S.D.N.Y. 2009).

Civ. P. 23 (2003 amends.), 28 U.S.C. App., p. 144 (2006 ed.) ("it is appropriate to conduct controlled discovery into the 'merits,' limited to those aspects relevant to making the certification decision on an informed basis").

2. The Fund nonetheless devotes considerable energy to fact-bound claims regarding specific items of discovery it now purports to desire. Pet. Br. 52-56. But the demand that class certification be deferred pending further discovery was neither pressed nor passed on below. See p. 44, *supra*. As a result, this Court should not address it in the first instance. *Nat'l Collegiate Athletic Ass'n* v. *Smith*, 525 U.S. 459, 469 (1999).

In any event, the claims lack merit. The Fund now asserts (Br. 53) that it needed discovery to "parse the effect of the culpable from the non-culpable news" allegedly contained in Halliburton's December 21, 2000 press release. That press release attributed the $95 million charge Halliburton was taking to multiple causes—one disclosure the Fund identifies as "correcting" a prior alleged misstatement ("negotiations with customers regarding cost increases" on projects where claims were not resolved "as originally anticipated"), S.A. 520, and another that was concededly just unrelated bad news ("changes in market conditions," including "labor disturbances" abroad). See S.A. 520; Pet. App. 134a-135a. According to the Fund, even though the evidence showed that the press release was not corrective of anything (see Pet. App. 132a-136a), it needed merits discovery "to determine the degree to which overruns were actually due to labor disturbances." Pet. Br. 53. But that makes little sense. The question is how *public markets* responded to public disclosures and, more specifically, the degree to which *public markets* were reacting to one piece of bad news as opposed to another. Halliburton's *non-public* internal documents, never released to the market, have no bearing on that.

The necessary analysis that the Fund failed to perform here is regularly conducted based on public information. Indeed, the Fund's own expert testified that she had previously performed statistical analyses that separated the price effects of multiple disclosures, but she "was asked not to do [so]" in this case. J.A. 402a-403a; Pet. App. 131a.[19] And courts routinely require plaintiffs to prove that price declines stem (at least in part) from corrective disclosures and not from the release of negative (but non-culpable) news. *E.g.*, *Flag Telecom*, 574 F.3d at 36 ("*Dura* requires plaintiffs to disaggregate"); *In re Vivendi Universal S.A. Sec. Litig.*, 634 F. Supp. 2d 352, 369-370 (S.D.N.Y. 2009) (holding that "[p]laintiffs [h]ave [a]dequately [d]isaggregated [c]ompeting [c]ausal [e]vents").[20] *Dura* recognizes that a price decline "may reflect not the earlier misrepresentation, but changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other events, which taken separately or together account for some or all of that lower price." 544 U.S. at 343.

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[19] Econometricians can craft event studies or other analyses that "disaggregate" the effects on market price stemming from various statements. Bruegger & Dunbar, *Estimating Financial Fraud Damages with Response Coefficients*, 35 J. Corp. L. 11, 25 (2009); Nielsen & Prowse, *Securities Litigation: Dura's Impact on Damages*, 22 InSights, July 2008, at 7–8, 10 n.17; Ferrell & Saha, *The Loss Causation Requirement for Rule 10b-5 Causes of Action*, 63 Bus. Law. 163, 168–170 (2007).

[20] Quoting *Schleicher*, 618 F.3d at 686, the Fund argues that "when true and false statements are made together it is often impossible to disentangle the effects with any confidence." Pet. Br. 67. That unsupported assertion is simply wrong. See n.19, *supra*. And, in any case, the Fifth Circuit does not require "proof that some percentage of the drop was attributable to the corrective disclosure," but only "some empirically-based showing that the corrective disclosure was more than just present at the scene." *Oscar*, 487 F.3d at 271. That is hardly an "impossible" standard to meet.

Those *public* facts may influence the price, and their *public* impact must be discerned. Documents that never reached the public shed no light on how, or why, public markets were responding.

The Fund also claims it needed discovery because the Fifth Circuit "effectively requires proof of scienter" to establish price impact. Pet. Br. 53; see *id.* at 53-56; U.S. Br. 27 n.4. But the court of appeals expressly disavowed any requirement that the Fund prove scienter or intentional fraud. Pet. App. 123a n.35 ("a plaintiff need not prove at the class certification stage intentional fraud by the defendant"); *Flowserve*, 572 F.3d at 230 (rejecting the rule that "a fraud causes a loss only if the loss follows a corrective statement that specifically reveals the fraud"). The court simply held that a negative disclosure that does not "reveal the truth of the previously misleading statement is insufficient to establish" price impact. Pet. App. 118a.[21] The various snippets cited by the Fund (Br. 54 & n.17) are simply other ways of stating the same standard, see Pet. App. 121a-122a, and are no different from tests used in other courts of appeals. See n.21, *infra*. They ensure that the later disclosure claimed to be "corrective" must indeed *correct* the earlier representation. None requires the Fund to establish Halliburton's state of mind at the time the alleged misrepresentation was made.

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[21] This test derives from *Dura*, 544 U.S. at 347 (requiring price decline "after the truth became known"), and variations have been adopted by the lower courts. See *Katyle* v. *Penn Nat. Gaming, Inc.*, — F.3d —, 2011 WL 857144 at *7 (4th Cir. 2011); *Flag Telecom*, 574 F.3d at 41; *In re Williams Sec. Litig.*, 558 F.3d 1130, 1139 (10th Cir. 2009); *Metzler Inv. GMBH* v. *Corinthian Colleges, Inc.*, 540 F.3d 1049, 1065 (9th Cir. 2008); *McCabe* v. *Ernst & Young, LLP*, 494 F.3d 418, 425-426 (3d Cir. 2007); *Ray* v. *Citigroup Markets, Inc.*, 482 F.3d 991, 995 (7th Cir. 2007).

The Fund claims that the court of appeals held that a June 28, 2001 statement was not corrective because it "did not indicate that Halliburton *knew* of Harbison-Walker's financial difficulties prior to the announcement." Pet. Br. 55. But the Fund's claim actually failed because the June 28, 2001 statement did not correct any misstatement previously *conveyed to the market*. "The June 28, 2001, press release does not correct any specific misrepresentation by revealing a previously obscured truth." Pet. App. 125a; see *id.* at 125a-127a. The Fifth Circuit's analysis thus turned on the state of the market's knowledge, not on Halliburton's scienter.

That ruling was clearly correct. In June 2001, Harbison-Walker unexpectedly "asked Halliburton to provide financial assistance for asbestos claims that Harbison-Walker had previously agreed to assume." Pet. App. 124a. Halliburton promptly disclosed that in a June 28, 2001 press release, announcing that it would need to add new asbestos reserves of $50 to $60 million to cover this unexpected liability; Halliburton's stock declined. Pet. App. 124a-125a, S.A. 523. That press release, however, was not a corrective disclosure that revealed the falsity of a prior statement. To the contrary, Halliburton's 10-Ks—filed much earlier—had repeatedly disclosed both Harbison-Walker's agreement to indemnify Halliburton and that the indemnified claims were *not* previously included in Halliburton's asbestos reserve. S.A. 479-480; see Pet. App. 126a. The market thus knew that, if Harbison-Walker became unable to fulfill its agreement for the asbestos liability, Halliburton might be liable. S.A. 461, 480; Pet. App. 126a. Indeed, the Fund's own expert admitted that Halliburton had not represented that Harbison-Walker "will never request or need our assistance on any of the asbestos claims they agreed to assume." J.A. 415a; Pet. App. 125a ("Plaintiff makes no argument that Halliburton made prior statements about exposure from

claims related to Harbison-Walker."); Pet. App. 16a ("[t]here is no allegation" that "Harbison-Walker required Dresser's assistance prior to this disclosure").

Thus, the disclosure that Harbison-Walker in fact needed financial assistance in June 2001 did not correct a prior false statement. It simply revealed new information. Where the market responds to new information rather than the correction of a prior misrepresentation, the resulting price decline by definition is no evidence that the market price was previously distorted by a misrepresentation. In any event, the Fund cannot show that the district court erred in declining to defer the class-certification ruling pending further discovery where no such request was made.[22]

III. The Court Of Appeals' Decision Should Be Affirmed Because The Fund Failed To Prove That The Alleged Misrepresentations Affected The Market Price

The court of appeals correctly held that class certification is improper. The evidence amply rebutted *Basic*'s presumption of classwide reliance on a distorted market price by showing that the alleged misrepresentations did not affect the market price. The Fund's own expert ad-

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[22] The same analysis disposes of the Fund's argument that it needed discovery into whether the announcement of an adverse jury verdict constituted a corrective disclosure. Pet. Br. 56. Analysts saw the verdicts as unexpected. Pet. App. 25a-26a, 128a & n.43. And Halliburton's previous statements notified the markets that bad verdicts could happen; that its asbestos reserves were merely estimates, based upon the number of "open" (not potential) claims and Halliburton's historical cost of resolving such claims; and that adverse court rulings could materially impact the resolution of asbestos claims. Pet. App. 127a; S.A. 479-480, 503. In this context, the adverse jury verdicts were the quintessential unexpected, negative events that cannot serve as corrective disclosures, and thus cannot demonstrate an alleged misrepresentation's impact on market price.

mitted that her event study revealed that Halliburton's stock price did *not* react to any of the alleged misrepresentations. J.A. 349a, 391a-394a, 526a, 664a, 721a; Pet. App. 11a. And the Fund has never argued otherwise. Pet. App. 7a n.11, 116a. That alone constitutes sufficient evidence that the misrepresentation did not affect the market price and rebuts the presumption of reliance. See pp. 19-24, *supra*. Halliburton's expert further rebutted the presumption by showing that none of the price declines identified by the Fund's event study resulted from corrective disclosures. J.A. 469a-537a, 691a-721a.

Despite that successful rebuttal showing, the Fund never succeeded in re-establishing the presumption of reliance, which was its only asserted means to satisfy Rule 23. See pp. 24-27, *supra*. The Fund urged the courts to infer that the alleged misrepresentations distorted the market price because, according to the Fund, the stock's price declined in response to alleged corrective disclosures. In thorough opinions, however, both the district court and the court of appeals properly concluded that the Fund failed to link the declines in Halliburton's stock price to corrective disclosures (as opposed to other factors), and thus did not support an inference that the alleged misrepresentations had affected the market price. Other than the Fund's perfunctory assertion that it was entitled to additional discovery, Pet. Br. 52-56, neither the Fund nor the Government claim that the court of appeals' corrective-disclosure analysis was substantively defective. To the contrary, the Fund's *only* basis for requesting reversal of the judgment below is that it was improper to consider price impact (or "loss causation," as the Fund misstates it) at the class-certification stage. Pet. Br. 68. Because that claim lacks merit—and because the presumption of reliance was conclusively rebutted—there was no error in denying class certification.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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REPLY BRIEF

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ERICA P. JOHN FUND, INC., PETITIONER.

v.

HALLIBURTON CO.; DAVID J. LESAR, RESPONDENTS.

On a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

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INTRODUCTION AND SUMMARY

The district court held that plaintiff had met each of the requirements of Rule 23 for class certification. Pet. App. 4a, 54a. The court nonetheless denied class certification on the ground that plaintiff had not proven loss causation on the merits, a requirement set out in the Fifth Circuit's decision in *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007). Pet. App. 4a, 54a.

The Fifth Circuit affirmed, reiterating that plaintiffs are "required to prove loss causation" in order to obtain class certification, Pet. App. 115a, a requirement the court described as "rigorous," *id.* at 130a. As one judge explained at oral argument, by requiring proof of loss causation, "we did away with Rule 23 virtually." Pet. 8 n.4.

The Fifth Circuit is the only court that requires plaintiffs to prove loss causation in order to trigger the fraud-on-the-market presumption at class certification. Its rule has been rejected by the Second, Third, and Seventh Circuits, *see In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474 (2d Cir. 2008); *In re DVI Inc., Sec. Litig.*, Nos. 08-8033, 08-8045, -- F.3d --, 2011 WL 1125926 (3d Cir. Mar. 29, 2011); *Schleicher v. Wendt*, 618 F.3d 679 (7th Cir. 2010); and numerous district courts in other circuits, *see* Pet. 15-17. In requiring proof of loss causation, the Fifth Circuit has acknowledged that it is conducting a "merit inquiry" at class certification, *Oscar*, 487 F.3d at 267, not to

determine whether the requirements for class certification under Rule 23 are met, but to "tighten" the requirements for class certification because class certification "bestows upon plaintiffs extraordinary leverage, and its bite should dictate the process that precedes it." *Id.* at 264-65, 267.

The Fifth Circuit's rule is wrong. The critical question at class certification under Rule 23(b) is whether common questions will predominate over individual ones. Proof of loss causation is not required to establish that common questions will predominate. Indeed, all agree in this case that "loss causation stands or falls on a classwide basis". Resp. Supp. Br. In Opp. 9. Instead, the Fifth Circuit requires proof of loss causation because it believes that class certification rules need to be "tightened." But the Fifth Circuit is not authorized to add its own requirements for class certification to those set out in Rule 23 based on its own policy preferences. And the effect of the Fifth Circuit's rule is a substantial one: it requires that district courts conduct mini-trials on the issue of loss causation under a preponderance of the evidence standard, rather than the disputed-issue-of-material-fact summary judgment standard that normally determines whether a plaintiff's case reaches a jury.

Nothing in this Court's decision in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), supports the radical approach taken by the Fifth Circuit. In *Basic*, this Court held that a plaintiff in a private securities fraud case may establish a rebuttable presumption of reliance through the fraud-on-the-market theory, which presumes that "the market

price of shares traded on well-developed markets reflects all publicly available information," including "any public material misrepresentations," and "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Basic*, 485 U.S. at 246-47. The Court said nothing about the separate element of loss causation, and it did not suggest that it was modifying any of the requirements for class certification under Rule 23.

Defendants attempt to justify the Fifth Circuit's rule by first narrowing the rule and then trying to link it to *Basic*. Despite defendants' revisionism, it is clear that the Fifth Circuit requires proof of *loss causation*, not just validation of the fraud-on-the-market theory of *reliance*. Indeed, the Fifth Circuit in this case found that plaintiff had established the prerequisites for invoking the fraud-on-the-market theory, Pet. App. 115a, but then decided the class could not be certified because plaintiff did not show loss causation. Contrary to defendants' contention, the Fifth Circuit requires plaintiffs to prove loss causation on the merits to obtain class certification, regardless of their theory of loss or whether defendants make any effort to dispute the issue.

Defendants also argue that the Fifth Circuit requires proof of loss causation only to determine whether a material misrepresentation has distorted the stock's price, and contends that this showing may be required under *Basic*. They are wrong for several reasons. First, as this Court explained in *Dura Pharms, Inc. v. Broudo*, 544 U.S. 336, 342-43

(2005), loss causation and price distortion are not the same, and an inability to prove loss causation does not show that a stock's price was not distorted by fraud. Second, requiring proof of price distortion or loss causation on the merits is not appropriate at class certification. The appropriate question at class certification is whether common questions of law or fact predominate, not whether the plaintiff will prevail on the merits. Third (and related), *Basic* does not require plaintiffs to prove that a material misrepresentation distorted a stock's price or ultimately caused a loss; it *presumes* a misrepresentation would distort the stock price in an efficient market. Fourth, *Basic*'s statement that defendants may rebut the fraud-on-the-market presumption does not justify requiring plaintiffs to make a merits showing as a prerequisite for class certification; so long as rebuttal of the presumption will turn on common questions, it should be considered at summary judgment or at trial, not at class certification.

By requiring a showing of likely success on the merits on the issue of loss causation at class certification, the Fifth Circuit's rule is contrary to this Court's decision in *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), and Federal Rule of Civil Procedure 23. As the district court's and court of appeals' lengthy factual analyses demonstrate, the burden of proving loss causation is complex. The Fifth Circuit's decision to place that burden on plaintiffs at class certification has real practical significance: it requires plaintiffs to prove an essential element of their case at a threshold stage of the litigation—often without adequate discovery—

thereby preempting the merits inquiry that occurs at summary judgment under the disputed issue of material fact standard and usurping the jury's role in resolving disputed loss-causation issues at trial. There is no basis in Rule 23 or any of this Court's decisions for such a rule.

FACTS

The district court denied defendants' motion to dismiss, holding that plaintiff had properly alleged a violation of the federal securities law. USCA5 4185-87, 6467. At class certification, the court held that plaintiff had satisfied the requirements of Rule 23(a), and that class certification would be appropriate on the ground that common issues predominated over individual interests under Rule 23(b), were it not for the Fifth Circuit's requirement of proving loss causation. Pet. App. 4a, 54a.

The defendants did not seek to rebut plaintiff's proof that the market for the stock of Halliburton, a large public company whose stock is actively traded, was efficient. Pet. App. 115a. Nor did defendants seek to rebut the presumption of reliance that *Basic* holds results from the finding of an efficient market. Nor do defendants identify any other issue that would not be common to the class members. Instead, defendants opposed class certification on the ground that plaintiff had not proven loss causation by a preponderance of the evidence. Relying on *Oscar*, defendants argued that the sufficiency of plaintiff's claim of loss causation should be tested at the class certification stage

rather than at summary judgment or at trial, and that dueling experts or disagreements about the evidence mean plaintiff loses rather than having an opportunity to try its case to a jury.

The courts' analysis of loss causation in this case makes plain how severely the Fifth Circuit's rule "tightens" the requirements for class certification. Plaintiff was required to prove almost its entire case—not just that there is a presumption that the market would account for defendant's material misrepresentations—and to do so under a uniquely exacting standard. Where defendants released other bad news on the days it made certain of its corrective disclosures, plaintiff was required to disaggregate the effects of the corrective disclosures from the other bad news and to prove that it was the material misstatements—not some other news—that caused the decline in market price. Where there was no other possible cause of a price decline, plaintiff was required to prove that the disclosure revealed that the prior representations had been not merely wrong but fraudulent, and plaintiff was required to make these showings at the class certification stage, before the completion of discovery and summary judgment motions, by at least a preponderance of the evidence (and in certain cases by excluding the possibility that a reasonable juror could find against plaintiff).

For example, Halliburton made numerous public misrepresentations regarding its asbestos exposure. On November 15, 1999, Halliburton represented that its reserves of $30 million were

"adequate to cover the estimated losses from asbestosis litigation" (pending claims only), USCA5 4240 (at ¶ 119), and on January 31, 2001, it represented that "prospective asbestos liabilities . . . should have minimal adverse impact on the company going forward." USCA5 4265 (at ¶ 157).

On July 25, 2001, Halliburton represented that accruing $60 million in loss reserves would be "prudent" for "the potential exposure we have for this asbestos litigation." USCA5 4274. On August 22, 2001, Halliburton also said that "asbestos exposure, concerns appear to be overblown" and that Halliburton's asbestos claims are a "manageable problem." USCA5 4276.

On December 4, 2001, Halliburton disclosed a $65 million verdict by a Texas jury, and three other judgments totaling $35.7 million against Dresser (Halliburton's subsidiary) on behalf of 100 asbestos plaintiffs arising from an alleged breach of a purported settlement agreement. USCA5 6959. Halliburton's stock dropped 3.7% on December 4 and 3.8% on December 5. USCA5 6960. On December 7, 2001, Halliburton disclosed a $30 million asbestos verdict, handed down on December 5 against Dresser. USCA5 6961-62, 7752-54. Halliburton's stock plummeted that day by 42.7%. USCA5 6963.

Several analysts issued reports on December 7 that sounded the alarm about Halliburton's asbestos liability. TheStreet.com declared: "Halliburton Buried as Investors Stopped Believing": "Halliburton's share dove to nine-year lows . . . as

investors lost faith in the company's claims." USCA5 4577. An analyst for Salomon Smith Barney dropped his price target to $20 from $36, citing mounting asbestos liabilities and noted: "The specter of lawsuits spiraling out of control is likely to adversely impact the stock for the foreseeable future . . . ." USCA5 6962. Another analyst with Jefferies & Co. said: "We now believe [Halliburton's] asbestos-related net liabilities could be significantly higher than currently estimated," and an analyst from UBS Warburg downgraded his price target from $38 to $24 because of Halliburton's asbestos liability. *Id.*

Defendants' own expert acknowledged that she was not aware of any other adverse news released on December 7, except a change in Moody's rating of Halliburton, which she admitted reflected the recent information regarding Halliburton's asbestos exposure. USCA5 8105, 8107-08. Nevertheless, the courts below held there was no loss causation.

ARGUMENT

I. PROOF OF LOSS CAUSATION IS NOT A PREREQUISITE TO THE FRAUD-ON-THE-MARKET PRESUMPTION

A. The Fifth Circuit Requires Plaintiffs to Prove Loss Causation

Defendants are wrong to contend (Br. 9 & n.2) that the Fifth Circuit does not require plaintiffs to prove loss causation as a prerequisite for class

certification. As the Fifth Circuit said in *Oscar*: "Essentially, we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption." *Oscar*, 487 F.3d at 265. The court reiterated that rule here, Pet. App. 115a-116a, and in other cases as well. *See Fener v. Operating Eng'rs Constr. Indus. & Misc. Pension Fund (Local 66)*, 579 F.3d 401, 408-11 (5th Cir. 2009); *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 228-29 (5th Cir. 2009); *Luskin v. Intervoice-Brite Inc.*, 261 Fed. App'x 697, 698 (5th Cir. 2008). The district court well understood the Fifth Circuit requirement that at the class certification stage: "Plaintiffs in this case must demonstrate loss causation." Pet. App. 4a; 6a.

Defendants nonetheless suggest (Br. 9 n.2) that the Fifth Circuit uses the term "loss causation" as a "shorthand" for price distortion. They are wrong. As this Court explained in *Dura*, price distortion and loss causation are different: price distortion concerns the initial effect of a defendants material misstatements on a stock's price, i.e., whether it distorts the price (whether by increasing the price or, as in this case, maintaining a price level that would otherwise have dropped), while loss causation concerns the cause of a later decline in the stock's price following the revelation of the truth. *See Dura*, 544 U.S. at 342-43.

Moreover, the detailed analysis performed by the district court and the court of appeals in this case clearly was one concerning loss causation: for each set of alleged misstatements and corrective

disclosures, the courts asked whether the decline in the stock's price was "related to the false, non-confirmatory positive statement made earlier" and whether it is "more probable than not that it was this related corrective disclosure, and not any other unrelated negative statement, that caused the stock price decline." Pet. App. 119a-120a. This is an analysis of loss causation.

B. The Fifth Circuit Requirement to Prove Loss Causation Is Contrary to *Basic*

In *Basic*, this Court held that a plaintiff in a private securities fraud case may invoke a rebuttable presumption of reliance upon a showing that investors traded in an efficient market. *Basic*, 485 U.S. at 241-42, 247-48; *see also Matrixx Initiatives, Inc. v. Siracusano*, Case No. 09-1156, -- S. Ct. --, 2011 WL 977060 (Mar. 22, 2011); *Stoneridge Investment Partners LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008). The Court did not require plaintiffs to prove loss causation to invoke the presumption. (Indeed, the Court did not even mention loss causation.) Rather, the Court explained that the fraud on the market theory is based on the "hypothesis" that in an efficient market, "the price of a company's stock is determined by the available material information regarding the company and its business. . . . Misleading statements will therefore defraud purchasers of stock even if the purchasers do not directly rely upon the misstatements." *Id.* at 241-42 (quoting *Peil v. Speiser*, 806 F.2d 1154, 1160-61 (3d Cir. 1986)); *see also id.* at 247 ("an investor's reliance

on any public material misrepresentation . . . may be *presumed*") (emphasis added). This presumption allows reliance to be presumed on a classwide basis, because each investor is presumed to rely on the material misstatements when he or she buys or sells at the market price. Accordingly, once a proposed plaintiff class invokes the presumption and supports its underlying assumption (an efficient market), the issue of reliance will turn on common proof, and class certification is appropriate.

Nothing in *Basic* supports requiring proof of loss causation on the merits at class certification. The Court said nothing about loss causation; the fraud on the market theory is a way to prove the separate element of *reliance*. And on the element of reliance, the Court stated that reliance could be *presumed* in an efficient market, not that it must be proven on the merits at class certification. By requiring proof of loss causation on the merits for class certification, the Fifth Circuit requires *proof* of what Basic allows courts to *presume*—and proof not of reliance, but of loss causation. *See Oscar,* 487 F.3d at 274 (Dennis J., dissenting) ("court is to presume that the defendants' material misstatement distorted the market price of the stock at issue"). Nothing in *Basic* allows the court of appeals to require plaintiffs to *prove* an element of their case at class certification, especially the fact-intensive, "rigorous" (Pet. App. 130a) element of loss causation.

Defendants argue (Br. 12, 27) that the Fifth Circuit's rule is permissible because *Basic* allows a defendant to rebut the fraud-on-the-market

presumption of reliance, and they should be allowed to do that at class certification. The first problem with defendants' argument is that rebuttal of the fraud-on-the-market theory is relevant at class certification only to the extent it relates to the question whether common questions of fact or law predominate. *See* Rule 23(b). If the defendants' proposed rebuttal would turn on common questions of fact or law, then class certification is appropriate, and the question whether the presumption actually is rebutted is one for a merits stage such as summary judgment or trial. *Basic* allows the plaintiff to establish a presumption of reliance by showing that defendant made public statements in an efficient market. *See Basic*, 485 U.S. at 241-42, 247-48. Defendants may contest the prerequisites for establishing the presumption at class certification—for example, by showing the market is inefficient. (Defendants here did not even attempt to do so. *See* Pet. App. 115a.) If plaintiff proves an efficient market, the classwide nature of reliance is presumed. Its existence or nonexistence is determined at trial.[1]

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[1] Defendants claim (Br. at 38) that courts have "always understood" that the presumption established in *Affiliated Ute* is rebuttable at class certification. Although the court in *Ross v. Bank South, N.A.*, 837 F.2d 980, 990-91, 996-98 (11th Cir. 1988), the case defendants cite, considered rebuttal evidence of non-reliance under *Affiliated Ute* at the class certification stage, it considered evidence of the named plaintiffs' non-reliance to ascertain whether their claims were common and typical. No court of appeals has held that the presumption is rebuttable at class certification, and the case law suggests it is not. *See, e.g., Miera v. First Sec. Bank of Utah, N.A.*, 925 F.2d 1237, 1241 (10th Cir. 1991) (defendant rebutted *Affiliated Ute*'s presumption of reliance after bench trial); *Emrich v. Touche*

Defendants' contrary argument rests on an excerpt from *Basic*, which says the presumption of reliance may be rebutted by any "showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Basic*, 485 U.S. at 248. However, the context of the Court's assertion makes clear that rebuttal takes place at trial, not at class certification. Rebuttal is reserved for trial because anything that severs the link—such as independent negative news about the company—is a classwide phenomenon, and hence not relevant to determining whether common issues predominate in the first place. Tellingly, footnote 29 says, when discussing one way to rebut the presumption of classwide reliance: "Proof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate." *Id.* at 249 n. 29. Defendants suggest (Br. 39) that this footnote refers to the district court's ability to amend the certification order at trial *and* entertain rebuttal evidence at class certification. But that is not what the *Court* said;

Ross & Co., 914 F.2d 262 (9th Cir. 1990) (defendant rebutted *Affiliated Ute*'s presumption at summary judgment stage); *Sharp v. Coopers & Lybrand*, 649 F.2d 175, 189 (3d Cir. 1981) (defendant failed to rebut *Affiliated Ute*'s presumption at jury trial), *overruled in part on other grounds*, *In re Data Access Sys. Sec. Litig.*, 843 F.2d 1537, 1550 (3d Cir. 1988); *Blackie v. Barrack*, 524 F.2d 891, 905–06 & n.22 (9th Cir. 1975) (affirming class certification and noting in dicta that the right of rebuttal does not defeat class certification, stating: "The right of rebuttal, however, does not preclude the predominance of common questions.").

the footnote addresses only trial, not class certification.

Second, defendants did not attempt to rebut the existence of an efficient market; they argued the common question of whether in an efficient market there was loss causation and the Fifth Circuit did not limit the plaintiff's burden to the element of reliance. Instead, it required a showing on the *different* element of loss causation. Even if defendants were permitted to rebut the presumption of reliance by affirmative proof that particular plaintiffs did not rely on the market price (an individual issue that could be relevant to the requirement of predominance), there is no relevance at the class certification of a common issue such as loss causation (unless it is to confirm predominance).

Third, the Fifth Circuit did not simply allow defendants to make a rebuttal showing. It placed the burden on the *plaintiff*, even if the defendant makes no showing whatsoever. Defendants do not attempt to justify this burden-shifting.[2]

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[2] This case provides no occasion to reconsider this Court's holding in *Basic*. By the time this Court issued its opinion in *Basic*, all eight circuit courts that had considered the issue had adopted the fraud-on-the-market presumption of reliance. Petitioner's Brief 4. The courts have applied the holding in *Basic* for more than two decades, and no court of appeals has suggested that *Basic* should be abandoned. Congress has not seen fit to change the fraud-on-the-market presumption even though Congress has been very active in passing legislation governing private securities actions. The fraud-on-the-market presumption makes commonsense, as this Court noted, *see Basic*, 485 U.S. at 246, and reflects the fundamental principles underlying the securities laws. *See* Brief Of Public Justice As

C. Proof of Loss Causation Requires a Merits Inquiry Not Tied To Rule 23

The Fifth Circuit did not base its rule that class certification requires proof of loss causation on any of the requirements in Rule 23. Instead, it adopted the rule because, in its view, "a district court's certification order often bestows upon plaintiffs extraordinary leverage, and its bite should dictate the process that precedes it." *Oscar*, 487 F.3d at 267. Significantly, the court never suggested that common issues would not predominate on the element of loss causation. *See* Brief of Law Professors As Amicus Curiae In Support of Petitioner ("Professors Br."), at 9-10. Indeed, defendants have conceded that "loss causation stands or falls on a classwide basis". Resp. Supp. Br. In Opp. 9. That should have ended the matter.

But the Fifth Circuit nonetheless decided to require a "rigorous" (Pet App 130a) "merit inquiry" (*Oscar*, 487 F.3d at 267) as a prerequisite for class certification (Pet. App. 113a, 115a). The Fifth

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Amicus Curiae In Support Of Petitioner ("Public Justice Br.") 8-16, 21-25. Notably, defendants did "not dispute the efficiency of the market" in this case, *see* Pet. App. at 115a, which itself makes irrelevant any debates about the possibility of market anomalies—theoretical debates that in any event do not detract from the widespread view among finance academics that U.S. markets for public securities efficiently incorporate information. *See* Brief Of Financial Economists As Amici Curiae In Support Of Petitioner 10-11; Public Justice Br. 28-29. Moreover, the criticisms of the efficient market hypothesis began before the decision in *Basic* was issued and were known to the Court at the time it issued its decision. *See* Public Justice Br.19-21, 26-28.

Circuit is not authorized to impose requirements above and beyond those specified in Rule 23. This court has made clear that courts "are not free to alter" Rule 23's requirements. *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 861 (1999); *see Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997). Any concerns about abusive or meritless class actions are for Congress to address. And Congress has been very active in this area. For example, Congress has facilitated the use of motions to dismiss to weed out nonmeritorious private securities-fraud cases by imposing heightened pleading requirements, 15 U.S.C. 78u-4(b)(1)-(2); and by requiring an automatic stay of discovery pending resolution of a motion to dismiss, 15 U.S.C. 78u-4(b)(3)(B). Further, Congress has specifically addressed class actions by, for example, establishing procedures for the appointment of lead plaintiffs and lead counsel, 15 U.S.C. 78u-4(a)(3). Congress's recent and repeated efforts to adjust the standards for private securities-fraud suits particularly illustrate why the Fifth Circuit erred in making "likely success on the merits essential to class certification in securities-fraud suits." *Schleicher*, 618 F.3d at 686.

Defendants suggest (Br 6-7, 10, 23, 25) that it is appropriate to require plaintiffs to prove loss causation in cases where the plaintiffs allege that there was no initial price increase when the material misstatements were made, but there was a stock price decrease when the corrective disclosures were issued. As an initial matter, that is not the Fifth Circuit's rule; the Fifth Circuit requires *all* plaintiffs who allege that they will establish reliance using the

fraud-on-the-market theory to prove loss causation to obtain class certification. *See Oscar*, 487 F.3d at 265, 276 n.3. In any event, the proposed rule cannot be justified under Rule 23 and *Basic*. *Basic* allows plaintiffs to invoke a presumption of reliance, and because of that presumption common issues will predominate on the element of reliance and class consideration of the claims is appropriate. Countless securities lawsuits allege, like this one, that defendants' misrepresentations concealed negative information, and thus kept the stock price from falling. *See* Br. of Financial Economists As Amici Curiae In Support of Petitioner at 28-29, 31 (providing examples of material misrepresentations that do not cause the stock price to rise). In that situation, the defendant's material misrepresentation has still distorted the stock's price, even though the price did not increase. And *Basic* allows courts to *presume* that distortion in stock price; it does not require plaintiffs to prove it at class certification. *See Schleicher*, 618 F.3d at 687.

Defendants argue (Br. 31-35) that the courts below did not improperly reach the merits of plaintiff's claims, but instead simply required plaintiff to show that reliance was a common issue by proving that the representations "distorted the market price." But if a plaintiff cannot demonstrate loss causation, that does not mean that loss causation is an individualized issue; it means that plaintiffs as a class cannot establish an element of their case. Loss causation is not a class certification requirement that happens to overlap with the

merits; rather, it is a merits issue that applies equally to the lead plaintiff and all absentee class members; and because it raises a common issue of proof, it cannot be a basis under Rule 23 of defeating class certification. *See* Br. for U.S. 19 n.2

While the Fifth Circuit candidly admits it requires plaintiffs to prove loss causation and imposes on them the burden of doing so, defendants repeatedly use linguistic formulations (e.g. the "evidence shows") that elide whether plaintiffs bear that burden of demonstrating loss causation or defendants may rebut the presumption by showing an absence of loss causation. *See, e.g.*, Br. 2, 11, 13, 14, 16, 23, 43, 50, 51. Moreover, both formulations are wrong because they entail a merits inquiry that is not linked to the requirements of Rule 23 and therefore should be reserved for trial.[3]

Defendants argue that Federal Rule of Evidence 301 means that they only need to produce enough evidence so that "a reasonable fact-finder could believe that the 'link' between the alleged misrepresentation and the price has been 'sever[ed]'"

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[3] Defendants quarrel with the Fund's citation to the Advisory Committee Notes to Rule 301. (Br. 20.) The Court cited to these very same Committee Notes. *See Basic*, 485 U.S. at 245 (stating "see also FED. R. EVID. 301 and Advisory Committee Notes, 28 U.S.C. App., p. 685."). And the proposition for which the Notes have been cited cannot be disputed. While Congress ultimately adopted the Senate, not the House, version of Rule 301, the difference concerned the continuing effect of the presumption, not the quantum of evidence required to rebut it. *See Sheridan v. El DuPont de Nemours and Co.*, 100 F.3d 1061, 1080 (3d Cir. 1996) (Alito J. concurring and dissenting) (tracing history of Rule 301).

(Br. 21). Evidence that the link *might* have been severed and thus that the misrepresentation *might* not have affected the price is not the same as evidence that in fact "severs the link" and shows that the misrepresentation in fact did not impact the price. And it is this latter showing which *Basic* requires of defendants "to rebut or meet the presumption." *Basic*, 485 U.S. at 248.

Moreover, whether the link has been severed is a merits determination regarding whether plaintiffs ultimately met their burden of proof on an element of their claim; it is not a question of predominance for class certification.

D. The Fifth Circuit Rule Requires Mini-Trials at Class Certification, Denying Plaintiffs Full Discovery And Preempting The Jury's Fact Finding

The Fifth Circuit's rule regarding loss causation converts Rule 23 proceedings into mini-trials on the merits under the wrong standard of proof and without merits discovery.

Here, the district court held a mini-trial on the merits, preempting the merits inquiries that should be undertaken at summary judgment or at trial, including ruling on issues not relevant to determining whether common issues predominate under Rule 23—and did so under a preponderance of the evidence standard. *Cf. Schleicher*, 618 F.3d at 683.

The Fifth Circuit suggested that loss causation can be demonstrated at class certification because proof of loss causation requires little, if any, discovery. *See Oscar*, 487 F.3d at 267. That is not correct. Under this Court's holding in *Dura*, which discussed loss causation as a proximate cause issue, merits discovery and a trial (or summary judgment) is necessary because proximate cause is fact intensive, and requires complete discovery. *See* Pet. Br. 52-56; Brief of 16 Public Pension Funds As Amici Curiae In Support of Petitioner 5 n.3. Elements of loss causation requiring such discovery and proof on the merits include the causal relationship between the alleged corrective disclosure and the prior misrepresentation, whether the truth leaked out in the interim, and whether the stock drop was a reasonably foreseeable result of the prior misstatement. Even if some or all of these issues could, in some cases, be resolved with limited discovery, there is no reason why they should be resolved at class certification. Because the Rule 23 hearing operates under a higher standard of proof than summary judgment does, a merits inquiry at class certification preempts the merits inquiries that should occur at summary judgment or at trial. Indeed, under the Fifth Circuit's rule, even members of a proposed plaintiff class that could survive summary judgment on the issue of loss causation, and who therefore are entitled to have their claims resolved by a jury, would not be able to obtain class certification.

E. The Fifth Circuit Applies A Flawed Loss Causation Test, Aggravating The Prejudice To Plaintiffs

The Fifth Circuit's loss causation test effectively requires that plaintiffs prove scienter through a corrective disclosure that admits wrongdoing, *see, e.g.*, Pet. App. 121a ("corrective disclosure" must show "the misleading or deceptive nature of the prior positive statements"). That is why the Fifth Circuit claims that loss causation can be decided on material in the public record. *See Oscar*, 487 F.3d at 267 ("Its 'proof' is drawn from public data and public filings"). The district court and court of appeals in this case repeatedly held that plaintiff failed to prove loss causation because the corrective admissions did not themselves reveal scienter. *See, e.g.*, Pet. App. 122a ("When confronted with allegedly false financial predictions and estimates, the district court must decide whether the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud."); *id.* 122a ("the truth revealed by the corrective disclosure must show that the defendant more likely than not misled or deceived the market with earnings misstatements that inflated the stock price and are actionable"); *id.* 126a (did not show "prior reserve estimates were intentionally misleading"); *id.* 126a-27a ("we can discern no indication from the June 28, 2001 press release that Halliburton's prior asbestos reserve estimates were misleading or deceptive"); *id.* 129a ("undermines any conclusion . . . the company acted with deception"); *id* 132a ("Plaintiff fails to show these announcements . . . revealed deceptive

practices in Halliburton's accounting assumptions."); *see also* Pet. 25 n.20.

Under the Fifth Circuit's flawed test of loss causation, defendants can defeat loss causation by wording their corrective disclosure so that on their face they do not appear related to the prior misrepresentations, or by avoiding a corrective disclosure altogether. Defendants argue, for instance, that Halliburton's June 28, 2001 announcement that it would need to increase its asbestos reserves by $50 to $60 million because of Harbison-Walker's request for assistance was not a corrective disclosure because it "simply revealed new information." Br. 50. Plaintiff, however, claimed that Halliburton knew throughout the class period that Harbison-Walker would need financial assistance, USCA5 4576 (at ¶ 38); Halliburton, through Dresser, was insured on the same policies as Harbison-Walker and so was privy to information regarding Harbison-Walker's demands on their common lines of insurance. USCA5 4622 (at ¶ 241). Thus, plaintiff needs merits discovery to find out when Halliburton first learned about Harbison-Walker's mounting asbestos exposure and increased financial difficulties, including as reflected by claims on their shared insurance. [4]

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[4] Defendants claim that plaintiff here enjoyed "extensive discovery" during the five years between the filing of its complaint and moving for class certification. Br. 6, 44. That is not correct. First, plaintiff was not permitted discovery until surviving a motion to dismiss years after the original complaint was filed. Second, the majority of the production was composed of documents produced to the SEC regarding Halliburton's

The Fifth Circuit held that defendants' disclosure that it would increase its asbestos reserves to include 165,000 claims against Harbison-Walker did not constitute a corrective disclosure because defendants' statement did not indicate that Halliburton previously knew but failed to disclose that Harbison-Walker would need financial assistance, Pet. App. 124a-125a, and because raising reserves "does not show those prior reserve estimates were intentionally misleading." Pet. App. 126a. Unless the Court is willing to permit defendants to immunize themselves by the wording of their public statements, plaintiffs should be permitted to establish loss causation by establishing through merits discovery and at trial (or summary judgment) what defendants knew and when they knew it. Similarly, the Fifth Circuit found that an adverse asbestos verdict that caused Halliburton's stock price to plummet 42.7% did not constitute a corrective disclosure because "the district court must decide whether the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud." Pet. App. 122a.[5] But the only way for the plaintiff to rebut

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accounting practices only, and then for only part of the class period.

[5] The Fifth Circuit also cited boilerplate disclosures in Halliburton's SEC filings about litigation risks but acknowledged that such "cautionary language" is not "dispositive" and is "relevant to materiality." Pet. App. 128a. The adequacy of allegations of materiality are resolved on a motion to dismiss, *Lormand v. US Unwired, Inc.*, 565 F.3d 228,

such an argument is by showing scienter (that the company anticipated the high expected liability and deliberately chose to misrepresent it), which is a common issue requiring merits discovery and a trial (or summary judgment decision).[6]

Defendants claimed at the petition stage that the Fifth Circuit rule eliminates only meritless cases. *See* Supp. Br. In Opp. 5 (only question is "whether certain meritless class actions should be certified"). Defendants' contention is based on the unfounded assumption that a case is meritless if a plaintiff cannot meet the Fifth Circuit's excessively strict test for loss causation. Because the Fifth Circuit applied the wrong test at the wrong time under the wrong standard of proof, failure to satisfy the Fifth Circuit test indicates nothing about whether a claim is meritorious. In any event, because the issue of loss causation is a merits issue

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244-48 (5th Cir. 2009); *Rosenzweig v. Azurix Corp.*, 332 F.3d 854, 869-70 (5th Cir. 2003).

[6] Plaintiff also needs discovery to establish loss causation for their accounting claims. For instance, the Fifth Circuit held that plaintiff had not established loss causation for Halliburton's October 24, 2000 announcement that it would undertake a massive restructuring of its construction business because the "press release does not mention fixed price contracts, unapproved claims or the methods for recognition of revenue from such claims." Pet. App. 132a-133a. With discovery, plaintiff could seek evidence to demonstrate that the restructuring was made to correct problems with Halliburton's cost overruns on long-term, fixed-price contracts. For other examples of why discovery is necessary to show loss causation, *see* Professors Br. at 27-29.

common to the class, it was wrong to use it to deny class certification under Rule 23.

II. CONCLUSION

For the reasons stated here and in plaintiff's opening brief, the opinion of the Fifth Circuit should be reversed and this case remanded for entry of an order certifying the class.

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SUPPLEMENTAL BRIEF

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No. 09-1403

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IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO. ET AL.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

RESPONDENTS' SUPPLEMENTAL BRIEF

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RESPONDENTS' SUPPLEMENTAL BRIEF

The Government contends that the court of appeals erred by considering loss causation at the class-certification stage of a Rule 10b-5 case. But it was this Court in *Basic Inc.* v. *Levinson*, 485 U.S. 224, 247 (1988) that created a presumption of reliance "on the integrity of the market price" for the express purpose of class certification. And it was *Basic* that held that a defendant could rebut the presumption with "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Id.* at 248. Under those principles, when the evidence shows

that a misrepresentation had no impact on the market price—and thus did not cause any loss—a court may refuse to certify a class under the fraud-on-the-market theory. The Government's position violates these principles and serves no purpose other than to certify cases that are, by definition, meritless. The *in terrorem* power of class certification under the fraud-on-the-market theory should not be deployed when the market price itself reveals that no fraud has occurred.

The Government compounds its misinterpretation of *Basic* by overselling the differences among the only three circuits to have addressed this issue. The Second Circuit joins the Fifth Circuit in considering loss causation at the class-certification stage. And the Seventh Circuit simply has not addressed whether a defendant can rebut the *Basic* presumption—and thus defeat class certification—by demonstrating the absence of loss causation. Certiorari should be denied.

I. NO DIVISION OF AUTHORITY WARRANTS REVIEW

The Government asserts that three circuits take three different positions on whether loss causation is relevant to class certification. U.S. Br. 18-21. Any disagreement is not nearly as meaningful as the Government contends and is not implicated by the facts of this case.

The Second Circuit's decision in *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474 (2008) differs from the Fifth Circuit's approach only with respect to which party bears the initial burden to establish that the alleged misrepresentation distorted the price of the stock. See BIO 7-11; compare Pet. App. 115 (holding that plaintiff must show that the alleged misrepresentations "actually moved the market") with *Salomon*, 544 F.3d at 484 ("defendants are allowed to rebut the presumption . . . by showing . . . the absence of a price impact"). In both circuits, a class may not be certified if loss causation is not proven by a

preponderance of the evidence. BIO 9-10; *Salomon*, 544 F.3d at 484-485.

The Government argues that the Second Circuit does not consider loss causation when it allows a defendant to defeat class certification by showing that the misrepresentation did not distort the market price. U.S. Br. 20 n.2. To the contrary: a defendant who proves that a misrepresentation did not impact market price necessarily proves that the misrepresentation did not cause plaintiff's loss. *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 343 (2005). And *Salomon* directed the district court on remand to consider, *inter alia*, whether "other statements in the sea of voices of market commentary were responsible for price discrepancies," instead of the alleged misrepresentation. 544 F.3d at 485.[1] That type of inquiry is at the heart of loss causation. *Dura*, 544 U.S. at 343, 344-345.

In any event, the Government does not dispute Halliburton's showing that this case would be decided the same way in either the Second or Fifth circuit, given the extensive record evidence that Halliburton's alleged misrepresentations had no impact on its stock price. See BIO 16-22. The Government's implicit concession demonstrates that any procedural differences between the circuits are immaterial here.

Nor is it clear that the Fund's class could be certified in the Seventh Circuit. Although that court recently held that "*plaintiffs* need not establish loss causation" in order to invoke the *Basic* presumption of reliance, *Schleicher* v. *Wendt*, 618 F.3d 679, 687 (7th Cir. 2010) (emphasis added), the defendant in *Schleicher* did not

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[1] See also *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29, 41 (2d Cir. 2009) ("Plaintiffs have not put forth sufficient evidence on which the in-and-out traders could establish loss causation, and they must therefore be excluded from the certified class.")

attempt to rebut the fraud-on-the-market presumption. *Id.* at 684. Thus, *Schleicher* did not even mention *Basic*'s holding that a defendant may "rebut the presumption" with "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Basic*, 485 U.S. at 248. Nor did it consider *Salomon*'s holding that a defendant who rebuts the *Basic* presumption defeats class certification. Consequently, it remains an open question in the Seventh Circuit whether a defendant may defeat class certification by showing that the alleged misrepresentation did not cause plaintiff's loss. See Michelle D. Johnson et al., Schleicher v. Wendt *and Fraud-on-the-Market Doctrine*, Law360 (Oct. 25, 2010), *available at* www.law360.com/web/articles/204036 ("[t]he Seventh Circuit's silence on the Second Circuit's *Salomon* approach leaves room for further development of Section 10(b) class certification standards").

At the very least, it is uncertain whether any circuit would certify a class where, as here, the evidence indisputably shows that the alleged misrepresentations did not cause any loss, thus "sever[ing] the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Basic*, 485 U.S. at 248. Because there is no clear division of authority implicated by the facts of this case, certiorari is not warranted.

At most, there is a recently created and exceedingly shallow split. Time will reveal whether the Seventh Circuit's position is as extreme as the Government believes, or whether that court will allow defendants to defeat class certification by proving that the alleged misrepresentation did not distort market price. If a meaningful divergence arises among the circuits, this Court will have ample opportunity to offer guidance with the benefit of additional analysis by the courts of appeals.

Tolerance of minor intercircuit differences is commended not only because they are not clearly implicated here, but also by *Basic* itself. The Government does not contest that this Court gave lower courts leeway to implement the fraud-on-the-market presumption. See BIO 15-16 (collecting authorities). And there is no great doctrinal dispute here; only the procedural question whether certain meritless class actions should be certified. That circuits have accepted this Court's invitation to develop their own fraud-on-the-market procedures is no reason to grant review, especially in the absence of a significant and well-developed division of authority.

II. The Decision Below Is Consistent With This Court's Precedents And Rule 23

Basic's fraud-on-the-market presumption is founded on the belief that an efficient market reflects all "public material misrepresentations" and that "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." 485 U.S. at 247. *Basic* thereby allows certification of classes that otherwise could not be certified because individual proof of reliance on the alleged misrepresentations would be required. *Id.* at 242. In exchange for this presumption of reliance on defendant's misrepresentations (via the market price), *Basic* requires assurances that the market price was actually affected by the alleged misrepresentations. *Id.* at 248. Without such evidence, "the causal connection" between the misrepresentation and the plaintiff's reliance "[w]ould be broken" because "the basis for finding that the fraud had been transmitted through market price would be gone." *Ibid.* Thus, *Basic* allows defendants to "rebut the presumption of reliance" with "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Ibid.* In other words, if the record

shows that the alleged misrepresentation did not distort the market price—and thus did not cause any loss—then a class cannot be certified based upon the fraud-on-the-market presumption.

A. Loss Causation Is Central To The Fraud-On-The-Market Presumption

The Government strains to avoid this straightforward reading of *Basic*. It contends that the absence of loss causation does not rebut the presumption of reliance because "reliance and loss causation are distinct elements of a securities-fraud claim." U.S. Br. 16. That is a non sequitur. While reliance (or transaction causation) and loss causation are distinct elements of a 10(b) claim, *Basic* holds that the absence of *either one* of these elements destroys the fraud-on-the-market presumption. Specifically, *Basic* allows defendants to rebut the presumption by "show[ing] that the misrepresentation in fact did not lead to a distortion of price *or* that an individual plaintiff traded or would have traded despite his knowing the statement was false." 485 U.S. at 248 (emphasis added).

The next sentence in *Basic* drives this point home: a defendant "rebut[s] the presumption" of reliance with "[a]ny showing that severs the link between the alleged misrepresentation and *either* [1] the price received (or paid) by the plaintiff, *or* [2] his decision to trade at a fair market price." *Ibid.* (bracketed numbers and emphases added). The second part of this sentence clearly refers to transaction causation—whether the misrepresentation caused the plaintiff to purchase the stock. But the first part of the sentence just as clearly refers to loss causation—whether the misrepresentation caused the plaintiff to pay too much for the stock. This Court well understood that loss causation and reliance are different, but it "explicitly set up the presumption so that defendants could rebut it by disproving either loss

causation or reliance." Jeffrey L. Oldham, *Taking "Efficient Markets" Out of the Fraud-on-the-Market Doctrine After the Private Securities Litigation Reform Act*, 97 NW. U. L. REV. 995, 997 (2003). And that makes perfect sense: there is no basis for presuming that the entire class relied upon alleged misrepresentations via the market price if the evidence shows that the misrepresentation did not in fact distort that price.

As a fallback, the Government argues that even if "market distortion" can be considered under *Basic*, loss causation cannot. U.S. Br. 16-17. There may be a theoretical difference between price distortion and loss causation. *Dura*, 544 U.S. at 342-343. But when it comes to determining whether the evidence shows that the misrepresentation disorted the market price, as *Basic* requires, the inquiries converge. A court assessing whether a misrepresentation affected market price would first look to see whether prices rose shortly after the misrepresentation. Cf. *id.* at 343 (noting that price inflation "may prove to be a necessary condition" of loss causation). If such proof is lacking (as here), the court would then look to see whether prices declined after the truth of the alleged misrepresentation was revealed. Cf. *id.* at 344-345, 347 (setting forth identical test for loss causation). If neither finding can be made, "the misrepresentation in fact did not lead to a distortion of price" and the defendant has "rebut[ted] the presumption of reliance." *Basic*, 485 U.S. at 248. Likewise, if the evidence shows that something other than the misrepresentation caused either the initial price inflation or the later price decline, the defendant has "sever[ed] the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." *Ibid.* Loss-causation evidence is therefore directly relevant to class certification under the fraud-on-the-market theory.

B. Loss Causation Is Appropriately Considered At Class Certification

The Government next argues that the court of appeals erred "by considering loss causation at the class-certification stage without determining that it was relevant to any of the prerequisites for class certification under Federal Rule of Civil Procedure 23." U.S. Br. 5, 6-10. That has it exactly backwards. *Basic* created an artificial construct to allow plaintiffs to overcome the otherwise insuperable Rule 23(b)(3) hurdle of proving reliance on a classwide basis. 485 U.S. at 242. But *Basic* recognized that if an alleged misrepresentation does not affect market price, then the presumption falls away, with the logical consequence that plaintiffs cannot satisfy Rule 23(b)(3)'s predominance requirement. *Id.* at 248; *Salomon*, 544 F.3d at 485 (a "successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement"). The court of appeals thus correctly considered loss causation to determine whether plaintiffs could invoke the fraud-on-the-market presumption and thereby satisfy Rule 23(b)(3).[2]

Conceding the obvious, the Government admits that "the fraud-on-the-market theory is relevant to the district court's class-certification decision." U.S. Br. 8. But it argues that in order to invoke the fraud-on-the-market presumption the plaintiff need only show that the misrepresentations were made publicly, that the stock traded in an efficient market, and that the plaintiff traded shares between the time of the misrepresentation

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[2] The Government's related complaint that the court of appeals improperly considered "the merits" at the class-certification stage rings hollow for the same reason. U.S. Br. 10-11. The Government correctly acknowledges that courts may consider merits issues to the extent they overlap with Rule 23 requirements. *Id.* at 10. As explained above, loss causation is just such an issue here.

and the revelation of the truth. *Id.* at 9. The Government asserts that this showing is relevant to class certification because it establishes "that common questions predominate on the question of reliance." *Ibid.* By contrast, the Government believes that the *classwide* absence of proof with respect to loss causation is irrelevant to whether a class can be certified under *Basic*. *Id.* at 9-10, 14-15.

The Government's dichotomy is directly contrary to *Basic*. The Court explained that a defendant may rebut the presumption by "show[ing] that the misrepresentation in fact did not lead to a distortion of price." *Basic*, 485 U.S. at 248. Such proof would both preclude class certification by rebutting the fraud-on-the-market presumption and defeat loss causation on a classwide basis. This makes sense: if an alleged misrepresentation did not affect market price, "the causal connection" between the misrepresentation and plaintiff's reliance "[w]ould be broken" because "the basis for finding that the fraud had been transmitted through market price would be gone." *Ibid.* The fact that loss causation stands or falls on a classwide basis hardly makes it less relevant to whether a plaintiff may invoke the fraud-on-the-market presumption and thereby achieve class certification.

The Government next contends that it is wrong to require plaintiffs to prove loss causation at the class-certification stage by preponderance of the evidence. U.S. Br. 12-13. But even if the plaintiff does not have the *initial* burden to prove loss causation in order to invoke the presumption of reliance, *Basic* provides that defendants can "rebut the presumption" with "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." 485 U.S. at 248. *Basic*'s creation of a rebuttable presumption in favor of plaintiffs "does not

shift to [the defendant] the burden of proof." Fed. R. Evid. 301 (cited in *Basic*, 485 U.S. at 245). Thus, once the defendant makes its rebuttal showing, the ultimate burden of proof would remain on the plaintiff to show that he can satisfy Rule 23's requirements by a preponderance of the evidence. See *ibid.*[3]

The Government urges that defendant's rebuttal evidence may only be considered at trial. U.S. Br. 16, 20 n.3. That cannot be the case. *Basic* created a *rebuttable* presumption to assist plaintiffs in overcoming the predominance hurdle of Rule 23(b)(3). Thus, a "successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement." *Salomon*, 544 F.3d at 485 (citing *Basic*, 485 U.S. at 249 n.29). It would be incongruous to allow plaintiffs to achieve class certification based upon a minimal showing—immediately imposing huge *in terrorem* costs upon defendants—while requiring defendants to wait until trial to prove that the class should not have been certified in the first place.

The Government worries that expert testimony and event studies may be necessary to prove loss causation at the class-certification stage. U.S. Br. 11-12. But that is no less true of proving market efficiency, which all parties agree must be proven in order to invoke the presumption. In fact, the event studies used to show market efficiency are often proffered to show loss causation as well. See, *e.g.*, William O. Fisher, *Does the Efficient Market Theory Help Us Do Justice in a Time*

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[3] The Government does not dispute that plaintiffs must satisfy Rule 23's requirements by preponderance of the evidence. Since the fraud-on-the-market theory is the usual way Section 10(b) plaintiffs achieve class certification, courts must weigh evidence and determine whether plaintiffs have the right to invoke that theory. *E.g.*, *Salomon*, 544 F.3d at 484.

of Madness?, 54 EMORY L.J. 843, 871, 878 (2005). In this very case, the Fund used the same event study to address both market efficiency and loss causation. Under the Government's view, the courts below were apparently required to accept the event study's proof of market efficiency, but ignore that the event study revealed a total absence of loss causation.

The alleged need for discovery is similarly a red herring. See U.S. Br. 12. Loss causation is proven by public documents, *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 267 (5th Cir. 2007), and the Fund has never identified any discovery that was necessary to prove loss causation here. Finally, determining loss causation by a preponderance of the evidence at the class-certification stage is not inconsistent with either summary judgment or jury-trial principles. See U.S. Br. 13-14. *Basic*'s unique presumption requires consideration of certain issues at the class-certification stage, such as materiality, market efficiency, and loss causation. The need for a district judge to make findings on these issues in order to assess whether a plaintiff can satisfy Rule 23 does not preclude a jury from reaching a different conclusion to the extent they are also relevant to the merits. *Alaska Elec. Pension Fund* v. *Flowserve Corp.*, 572 F.3d 221, 229 (5th Cir. 2009) (per curiam; panel including O'Connor, J).

In sum, the court of appeals' reasoning is consistent with *Basic*. The Government's approach, by contrast, would allow class certification through the fraud-on-the-market theory even where the evidence shows that no "fraud had been transmitted through [the] market price." *Basic*, 485 U.S. at 248.

CONCLUSION

The petition for certiorari should be denied.

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AMICUS CURIAE BRIEF

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QUESTION PRESENTED

Whether, in a private action under Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5, a plaintiff who invokes the fraud-on-the-market presumption of reliance must prove loss causation in order for the suit to be maintained as a class action.

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In the Supreme Court of the United States

No. 09-1403

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC., PETITIONER

v.

HALLIBURTON CO., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONER

INTEREST OF THE UNITED STATES

The United States, through the Department of Justice and the Securities and Exchange Commission (SEC), administers and enforces the federal securities laws. The question in this case is whether, in a private securities-fraud class action in which plaintiffs invoke the fraud-on-the-market theory to establish a presumption of reliance, plaintiffs must prove loss causation in order to obtain class certification. Because meritorious private securities-fraud actions are an essential supplement to criminal prosecutions and civil enforcement actions brought by the Department of Justice and the SEC, the United States has a substantial interest in this

Court's resolution of the question presented. At the Court's invitation, the United States filed a brief at the petition stage of this case.

STATEMENT

1. Section 10(b) of the Securities Exchange Act of 1934 makes it unlawful for any person "[t]o use or employ, in connection with the purchase or sale of any security * * *, any manipulative or deceptive device or contrivance in contravention of" rules promulgated by the SEC. 15 U.S.C. 78j(b). The SEC's Rule 10b-5 implements Section 10(b). As relevant here, the Rule makes it unlawful for any person, in connection with the purchase or sale of a security, "[t]o make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading." 17 C.F.R. 240.10b-5(b).

This Court has construed Section 10(b) to provide a private right of action. See *Dura Pharms., Inc.* v. *Broudo*, 544 U.S. 336, 341 (2005) (citing cases). In order to recover in a private action under Section 10(b) and Rule 10b-5(b), a plaintiff must prove the following elements: (1) a material misrepresentation or omission by the defendant; (2) that the defendant acted with scienter; (3) a connection between the misrepresentation or omission and the purchase or sale of a security; (4) the plaintiff's reliance upon the misrepresentation or omission; (5) economic loss; and (6) loss causation, meaning that the defendant's misrepresentation or omission proximately caused the plaintiff's loss. *Id.* at 341-342; see, *e.g.*, *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 157 (2008).

In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), this Court addressed the manner in which plaintiffs in a private securities-fraud suit could prove reliance through evidence common among members of the class, thereby allowing class certification under Federal Rule of Civil Procedure 23. 485 U.S. at 241-248. The Court recognized that "[r]equiring proof of individualized reliance from each member of the proposed plaintiff class" often would "prevent[] [plaintiffs] from proceeding with a class action, since individual issues then would * * * overwhelm[] the common ones." *Id.* at 242. The Court held that plaintiffs may overcome that obstacle by invoking a rebuttable presumption of reliance based on the fraud-on-the-market theory. *Id.* at 242-247.

Under that theory, the Court explained, "the market price of shares traded on well-developed markets reflects all publicly available information," including "any public material misrepresentations," and "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Basic*, 485 U.S. at 246-247. Because public material misrepresentations in an efficient market are reflected in the stock's price, "an investor's reliance on any public material misrepresentations * * * may be presumed for purposes of a Rule 10b-5 action." *Id.* at 247. And because evidence regarding the applicability of that presumption will generally be common to all members of a properly defined class, the case may proceed as a class action. *Id.* at 242, 248. The Court noted that a defendant may rebut the presumption of reliance through "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Id.* at 248. After explaining one way in which the

fraud-on-the-market presumption might be rebutted, the Court noted that "[p]roof of that sort is a matter for trial." *Id.* at 249 n.29.

2. Petitioner is the lead plaintiff in a putative securities-fraud class action against Halliburton Co. and one of its officers (respondents in this Court). Pet. App. 113a-114a. Petitioner alleges that respondents attempted to inflate Halliburton's stock price by downplaying the company's estimated asbestos liabilities, overstating the revenue in its engineering and construction business, and overstating the benefits of its merger with Dresser Industries. *Id.* at 4a-5a, 11a. Petitioner further alleges that, after it purchased stock in Halliburton, respondents made corrective disclosures about these matters that caused Halliburton's stock price to decline. *Id.* at 5a, 11a.

Petitioner sought to certify a class of all persons who had purchased Halliburton common stock between June 3, 1999, and December 7, 2001. See Pet. App. 4a, 66a-67a. The district court denied the class certification motion. *Id.* at 3a-55a. The court determined that "the Proposed Class satisfie[d] Federal Rule of Civil Procedure 23 as to numerosity, commonality, typicality, and adequacy of [petitioner] as a class representative," and that a class action generally "would be the superior method for adjudicating the claims of these class members." *Id.* at 3a-4a; see *id.* at 54a. The court held, however, that it could not certify the class because petitioner had failed to prove loss causation. *Id.* at 4a.

The district court explained that the Fifth Circuit had recently "tightened" the requirements for class certification by requiring "[p]laintiffs * * * [to] demonstrate loss causation in order to trigger the fraud-on-the-market presumption of class reliance." Pet. App. 6a

(citing *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (2007) (*Oscar*)). Under the Fifth Circuit's decision in *Oscar*, the court observed, loss causation must be "established at the class certification stage by a preponderance of all admissible evidence." *Ibid.* (quoting *Oscar*, 487 F.3d at 269). The district court then reviewed the evidence in this case and concluded that petitioner had not proved loss causation. *Id.* at 11a-54a. The court stated that, but for that failure of proof, it would have certified the proposed class. *Id.* at 4a, 54a.

3. The court of appeals affirmed. Pet. App. 111a-136a. The court recognized that, under the fraud-on-the-market theory, "it is assumed that in an efficient, well-developed market all public information about a company is known to the market and is reflected in the stock price." *Id.* at 112a. For that reason, "[w]hen a company has publicly made material misrepresentations about its business," courts "may presume that a person who buys the company's stock has relied on the false information." *Ibid.*; see *id.* at 114a.

The court of appeals held, however, that a putative class representative in a securities-fraud suit may not "take advantage of the fraud-on-the-market presumption of reliance" unless it proves loss causation. Pet. App. 115a. Relying on its prior decision in *Oscar*, the court stated that "[i]n order to obtain class certification on its claims," petitioner was required to establish, by a preponderance of the evidence, "that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in losses." *Id.* at 113a. The court made clear in particular that "it is not enough merely to show that the [stock price] declined after a statement reporting negative news." *Id.* at 116a. Rather, the court

stated, the plaintiff must show in addition that the decline in stock price was caused by the correction of the defendant's prior misstatement rather than by some other contemporaneous disclosure. *Id.* at 117a-118a. The court characterized this additional requirement as a "rigorous" one that typically "requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement." *Id.* at 130a.

The court of appeals noted that the parties "d[id] not dispute the efficiency of the market or [petitioner's] trading activity" in this case. Pet. App. 115a. After reviewing all of the evidence, however, the court concluded that petitioner had failed to prove loss causation, and it therefore affirmed the denial of class certification. *Id.* at 123a-136a.

SUMMARY OF ARGUMENT

When the named plaintiff in a private securities-fraud class action invokes the fraud-on-the-market presumption of reliance, the plaintiff need not prove the separate element of loss causation in order to obtain class certification.

A. Federal Rule of Civil Procedure 23 sets out the requirements for certification of a case as a class action. Rule 23 required petitioner to establish, *inter alia*, that common questions of law or fact predominated over issues that affect only individual class members. In order to make that showing, petitioner invoked the fraud-on-the-market presumption and established the facts necessary to support it. The court of appeals nevertheless held that the class could not be certified because petitioner had not proved loss causation. That was error, because proof of loss causation is not needed to satisfy

any of Rule 23's requirements, and the court of appeals did not suggest that the evidence of loss causation would vary among members of the class. The court was not authorized to add prerequisites for class certification in order to diminish the burdens imposed on defendants in private securities-fraud class actions.

B. *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), does not support the Fifth Circuit's approach. In approving the fraud-on-the-market presumption of reliance, the Court in *Basic* did not suggest that it was modifying the requirements for class certification under Rule 23. Although the presumption of reliance is rebuttable, the *Basic* Court's analysis reflects an expectation that any rebuttal will occur at summary judgment or at trial, not at the outset of the case. A defendant who rebuts the presumption of reliance defeats the plaintiff's claim on the merits by preventing him from establishing an essential element of his cause of action. So long as the evidence by which the defendant seeks to rebut the presumption is likely to be common to class members generally, the possibility of a successful rebuttal does not render the case unsuitable for class treatment. In any event, this Court's decision in *Dura Pharmaceuticals, Inc.* v. *Broudo*, 544 U.S. 336 (2005), confirms that the elements of reliance and loss causation are distinct, and that the plaintiff's perceived inability to prove loss causation does not rebut the fraud-on-the-market presumption.

C. The court of appeals' approach is contrary to this Court's decision in *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156, 162-163 (1974), which holds that the plaintiff's perceived likelihood of success on the merits is not relevant to the class-certification inquiry. The Fifth Circuit's conflation of merits and class-certification require-

ments would have been erroneous even if the court had simply incorporated into the Rule 23 analysis a merits inquiry (*e.g.*, whether the plaintiff's complaint adequately alleged a violation of Section 10(b) and Rule 10b-5) that the district court is authorized to conduct at a threshold stage of the suit. The court of appeals compounded that error by requiring the named plaintiff in a securities-fraud class-action to prove loss causation by a preponderance of the evidence in order to obtain class certification. The court of appeals thus required the district court, at the class-certification stage of a private securities-fraud suit, to conduct a much more demanding merits inquiry than the court could appropriately conduct in ruling on a motion to dismiss or for summary judgment. The court of appeals erred by requiring the plaintiff to prove a significant element of its case at a hold stage of the litigation, without the benefit of iscovery and without consideration of its claims by a jury. The judgment below should be reversed.

ARGUMENT

A PRIVATE SECURITIES-FRAUD PLAINTIFF THAT INVOKES THE FRAUD-ON-THE-MARKET PRESUMPTION OF RELIANCE NEED NOT PROVE LOSS CAUSATION IN ORDER TO OBTAIN CLASS CERTIFICATION

A. The Court Of Appeals Erred By Considering Loss Causation At The Class-Certification Stage Without Relating That Inquiry To The Requirements Of Rule 23

1. In order to certify a case as a class action, a federal district court must determine that the proposed class satisfies the requirements imposed by Federal Rule of Civil Procedure 23. See, *e.g.*, *Shady Grove Orthopedic Assocs., P.A.* v. *Allstate Ins. Co.*, 130 S. Ct. 1431, 1437 (2010) (*Shady Grove*); *Eisen* v. *Carlisle &*

Jacquelin, 417 U.S. 156, 162-163 (1974). Under Section (a) of Rule 23, the named plaintiff must show (1) numerosity, *i.e.*, that "the class is so numerous that joinder of all members is impracticable"; (2) commonality, *i.e.*, that "there are questions of law or fact common to the class"; (3) typicality, *i.e.*, that "the claims or defenses of the representative parties are typical of the claims or defenses of the class"; and (4) adequacy of representation, *i.e.*, that "the representative parties will fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a); see, *e.g.*, *General Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 156 (1982).

The named plaintiff must also establish that the suit falls within one of three categories of class actions described in Section (b) of Rule 23. See, *e.g.*, *Amchem Prods., Inc.* v. *Windsor*, 521 U.S. 591, 614 (1997). Under Section (b), a class action may be maintained if (1) prosecuting separate actions would risk adversely affecting class members or the opposing party; (2) "the party opposing the class has acted or refused to act on grounds that apply generally to the class" and "final injunctive relief or corresponding declaratory relief is appropriate" on a class-wide basis; or (3) "questions of law or fact common to class members predominate over any questions affecting only individual members" and "a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23(b).

It is the named plaintiff's burden to establish that the proposed class meets the requirements set out in Rule 23. See, *e.g.*, *Amchem*, 521 U.S. at 613-614; see also 5 *Moore's Federal Practice* § 23.83, at 23-383 (3d ed.

2010).[1] If the named plaintiff makes that showing, then class certification is appropriate. *Shady Grove*, 130 S. Ct. at 1437.

2. In this case, the district court found—and the parties agree—that the proposed class satisfies the four prerequisites set out in Section (a) of Rule 23. See Pet. App. 3a. The parties' dispute centers on whether class certification is warranted under Section (b) of the rule.

Petitioner sought class treatment under Section (b)(3), on the ground that common questions of law or fact predominate over questions that affect only individual class members, so that a class action is the superior method for adjudicating the parties' dispute. J.A. 146a-148a (motion for class certification); see Fed. R. Civ. P. 23(b)(3). Petitioner has alleged that respondents made material misstatements that inflated Halliburton's stock price, and that respondents subsequently made corrective disclosures that caused the stock price to decline, causing economic loss to the members of the class (*i.e.*, persons who had purchased Halliburton stock between the initial misstatements and the later corrections). Pet. App. 4a-5a, 11a; see Fourth Consolidated Amended Compl. ¶¶ 295-301. In order to establish that common questions predominate on the element of reliance, petitioner invoked the fraud-on-the-market presumption. See Pet. App. 5a-6a.

Under the fraud-on-the-market doctrine, "reliance is presumed when the statements at issue become public"

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[1] The courts that have addressed the question have held that facts relevant to whether the Rule 23 requirements have been met must be established by a preponderance of the evidence. See Pet. App. 115a; *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 320 (3d Cir. 2008); *Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier, Inc.*, 546 F.3d 196, 202 (2d Cir. 2008).

because it is presumed that relevant "public information is reflected in the market price of the security." *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008); see *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988). To invoke that presumption at the class-certification stage, petitioner was required to show that respondents' alleged misrepresentations were made publicly, that the company's shares were traded in an efficient market, and that the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed. *Id.* at 241-242; see, *e.g.*, *In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 17 (1st Cir. 2005). Once petitioner established those facts, the district court could appropriately presume that petitioner and all similarly situated investors could satisfy the reliance element of their securities-fraud cause of action. See *Basic*, 485 U.S. at 247. The presumption of reliance makes the element of reliance subject to common proof. That is true even if the presumption is ultimately rebutted at trial and the plaintiffs are therefore unable to prove the reliance element of their claim on the merits.

To be sure, proof of those facts necessary to invoke the fraud-on-the-market presumption did not establish that respondents' statements were actually false, that respondents had acted with the requisite scienter, or that petitioner or any unnamed class member had suffered economic loss as a result. Neither respondents nor the court of appeals, however, has identified any reason to suppose that proof as to those additional elements of petitioner's cause of action will vary meaningfully among the members of the putative class. By satisfying the prerequisites to the fraud-on-the-market presumption, petitioners showed that the reliance element

is subject to common proof as well, so that "common questions predominate[] over individual questions, as required by Federal Rules of Civil Procedure 23(a)(2) and (b)(3)." *Basic*, 485 U.S. at 242.

3. In holding that petitioner was required to prove loss causation in order to obtain class certification, the court of appeals relied on its prior decision in *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007). In *Oscar*, members of the proposed plaintiff class alleged that they had purchased a telecommunications company's stock at a price that had been inflated due to the company's material misstatements about its business, and that they had suffered losses when the company later made corrective disclosures. *Id.* at 262-264. The court in *Oscar* correctly recognized that the plaintiff class could rely on the fraud-on-the-market doctrine "to presume that each class member has satisfied the reliance element of their 10b-5 claim," so that common questions of reliance would predominate. *Id.* at 264. The court concluded, however, that "*Basic* allows each of the circuits room to develop its own fraud-on-the-market rules," and the court exercised that purported discretion by requiring plaintiffs to "establish loss causation in order to trigger the fraud-on-the-market presumption." *Id.* at 264-265 (internal quotation marks omitted); see *id.* at 269. "In order to obtain class certification" under that approach, petitioner "was required to prove * * * that the corrected truth of the former falsehoods actually caused the stock price to fall and resulted in losses." Pet. App. 113a.

The court of appeals had no authority to impose a prerequisite to class certification that is untethered to the requirements of Rule 23. If the requirements set out in Rule 23 are satisfied, the case may proceed as a

class action. That is clear from the text of Rule 23, which states that "[a] class action may be maintained if Rule 23(a) is satisfied and if" the proposed class fits within one of the three categories described in Rule 23(b). Fed. R. Civ. P. 23(b). The Court recently confirmed that this language "creates a categorical rule entitling a plaintiff whose suit meets the specified criteria to pursue his claim as a class action." *Shady Grove*, 130 S. Ct. at 1437.

Contrary to the suggestions of respondents (Supp. Br. in Opp. 5) and the Fifth Circuit (*Oscar*, 487 F.3d at 264), nothing in *Basic* gives lower courts "room" to fashion their own standards for certifying securities-fraud class actions. To be sure, the Court in *Basic* noted, as a practical benefit of the fraud-on-the-market presumption, that the presumption would facilitate class actions by allowing reliance to be proved through evidence common to all members of the class. See 485 U.S. at 242. The Court thus recognized that the proper application of Rule 23(b)(3), which requires that common questions of law or fact "predominate over any questions affecting only individual [class] members," Fed. R. Civ. P. 23(b)(3), will depend in part on the type of evidence needed to prove a particular element of a plaintiff's claim. That recognition in no way suggests that a lower court can deviate from the terms of Rule 23, either by certifying a class when the rule's requirements have not been satisfied, or by imposing additional prerequisites to class certification beyond those stated in the rule itself.

The Fifth Circuit in *Oscar* stated that "a district court's [class] certification order often bestows upon plaintiffs extraordinary leverage, and its bite should dictate the process that precedes it." 487 F.3d at 267.

The court's assessment of the burdens that class actions entail, however, does not authorize it to impose requirements above and beyond those specified in Rule 23. Rule 23 sets out "requirements the[] [courts] are bound to enforce." *Amchem*, 521 U.S. at 620; see *Ortiz* v. *Fibreboard Corp.*, 527 U.S. 815, 861 (1999) (courts "are not free to alter" Rule 23); *East Tex. Motor Freight Sys., Inc.* v. *Rodriguez*, 431 U.S. 395, 405 (1977) ("careful attention to the requirements of [Rule] 23 remains * * * indispensable"). The "Federal Rules take effect after an extensive deliberative process involving many reviewers"—including the Rules Advisory Committee, public commenters, the Judicial Conference, this Court, and Congress—and "[c]ourts are not free to amend a rule outside th[at] process." *Amchem*, 521 U.S. at 620-622. The task for a lower court in ruling on a class-certification request is to apply Rule 23 according to its terms, not to devise requirements that the court deems commensurate to the burdens that class certification would place upon the defendant.

Meritorious private securities-fraud actions are "an essential supplement to criminal prosecutions and civil enforcement actions." *Tellabs, Inc.* v. *Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007). The responsibility for addressing any concerns about abusive or meritless claims rests with Congress, rather than the courts. Indeed, Congress has already taken steps to address such concerns. In the Private Securities Litigation Reform Act of 1995 (PSLRA), Pub. L. No. 104-67, 109 Stat. 737, Congress responded to perceived abuses in private securities-fraud actions by, *inter alia*, establishing procedures for the appointment of lead plaintiffs and lead counsel in suits brought as class actions, 15 U.S.C. 78u-4(a)(3); imposing heightened pleading requirements,

15 U.S.C. 78u-4(b)(1)-(2); mandating an automatic stay of discovery pending resolution of a motion to dismiss, 15 U.S.C. 78u-4(b)(3)(B); creating a safe-harbor for forward-looking statements, 15 U.S.C. 78u-5; authorizing sanctions for abusive litigation, 15 U.S.C. 78u-4(c); and establishing limitations on recoverable damages and attorney's fees, 15 U.S.C. 78u-4(a)(6) and (c). See *Tellabs*, 551 U.S. at 319-322.

Three years later, Congress enacted the Securities Litigation Uniform Standards Act of 1998, Pub. L. No. 105-353, 112 Stat. 3227, to prevent plaintiffs in private securities-fraud actions from proceeding under state law in order to avoid the requirements of the PSLRA. See *Merrill Lynch, Pierce, Fenner & Smith Inc.* v. *Dabit*, 547 U.S. 71, 80-83 (2006). Particularly because Congress has recently adjusted the procedural and substantive standards for private securities-fraud suits, including through provisions (see 15 U.S.C. 78u-4(a)) specifically directed at class actions, the Fifth Circuit was not authorized "to make its own further adjustments by reinterpreting Rule 23 to make likely success on the merits essential to class certification in securities-fraud suits." *Schleicher* v. *Wendt*, 618 F.3d 679, 686 (7th Cir. 2010).

B. Nothing In *Basic* Or The Fraud-On-The-Market Theory Supports The Fifth Circuit's Requirement That Plaintiffs Must Prove Loss Causation At The Class-Certification Stage

In defending the court of appeals' approach, respondents contend that "[l]oss causation * * * is central to the presumption of reliance" as described in *Basic* (Br. in Opp. 23; see Supp. Br. in Opp. 6-8), and that the defendant's ability to rebut the presumption of reliance makes it appropriate to place on petitioner the burden of prov-

ing loss causation at the class-certification stage (Br. in Opp. 9-11; Supp. Br. in Opp. 8-11). Neither of those propositions is correct.

1. The Fifth Circuit in *Oscar* stated that placing the burden on plaintiffs to prove loss causation at the class-certification stage was consistent with the *Basic* Court's recognition that a defendant may rebut the presumption of reliance. 467 F.3d at 265. The Court in *Basic* did not state, however, that a defendant may rebut the presumption of reliance at the class-certification stage. To the contrary, the Court's only discussion of when that rebuttal could occur strongly indicates that such an inquiry is a matter for summary judgment or trial. After explaining that the fraud-on-the-market presumption might be rebutted by proof that information had "credibly entered the market and dissipated the effects of the misstatements" on the stock's price, the Court acknowledged a potential "incongruity between the assumption that Basic shares are traded on a well-developed, efficient, and information-hungry market, and the allegation that such a market could remain misinformed, and its valuation of Basic shares depressed, for 14 months, on the basis of the three public statements." 485 U.S. at 249 & n.29. The Court stated that "[p]roof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate." *Id.* at 249 n.29.

That analysis suggests that, if the evidence ultimately demonstrates that the distortive effect of a defendant's misstatements was cured as of a particular date, a class-certification order may be amended to exclude class members who purchased or sold shares after that date. But it does not suggest that a district court should make factual determinations regarding price dis-

tortion as part of its initial class-certification inquiry. To the contrary, the Court stated that "[p]roof of that sort is a matter for trial." *Basic*, 485 U.S. at 249 n.29.

Thus, nothing in *Basic* modifies the settled rule that a court ruling on a class-certification request may consider the merits of the named plaintiff's claims only to the extent relevant to the criteria set forth in Rule 23. To be sure, if the defendant seeks to rebut the fraud-on-the-market presumption, the finder of fact may ultimately be required to determine whether actual market distortion occurred. But so long as the market-distortion inquiry turns on factual or legal issues that are common to the members of the putative class, class certification is appropriate regardless of the perceived likelihood at that early stage that the plaintiffs will be able to establish reliance on the merits. See *Schleicher*, 618 F.3d at 685; pp. 22-24, *infra*.

2. The fact that *Basic*'s fraud-on-the-market presumption is rebuttable does not logically imply that all evidence offered to rebut it will be germane to class certification. The fraud-on-the-market presumption speaks to the type of proof that will establish an essential element of a private plaintiff's securities-fraud claim. The presumption significantly facilitates the certification of private securities-fraud suits as class actions, since it greatly increases the likelihood that the reliance element can be proved through evidence common to all class members. Nevertheless, the effect of a successful rebuttal is to defeat the plaintiff's suit on the merits, not to render it unsuitable for class treatment.

For purposes of Rule 23, a defendant's attempt to rebut the fraud-on-the-market presumption is no different from an effort to contest any other element of the plaintiff's claim, or to establish an affirmative defense.

To the extent that the defendant's anticipated efforts to rebut the presumption bear on the Rule 23 analysis, the pertinent question is not whether those efforts are likely to be successful, but whether the district court's resolution of the issue can be expected to turn on proof that is common to class members generally. If a defendant seeks to rebut the fraud-on-the-market presumption through evidence that is likely to vary substantially from plaintiff to plaintiff, the prospect of such individualized proof may bear on the district court's determination whether "questions of law or fact common to class members predominate." Fed. R. Civ. P. 23(b)(3); see *Schleicher*, 618 F.3d at 685 ("If something about 'the merits' also shows that individual questions predominate over common ones, then certification may be inappropriate."). But so long as the relevant determinations "affect[] investors in common" and therefore "can be made on a class-wide basis," a court may not deny class certification based on its view that the defendant will ultimately prevail. *Id.* at 687; see, *e.g.*, *In re Initial Pub. Offering Sec. Litig.*, 260 F.R.D. 81, 106 n.214 (S.D.N.Y. 2009).

In neither *Oscar* nor in this case did the Fifth Circuit suggest that the loss-causation inquiry would vary from plaintiff to plaintiff in a way that would prevent common issues from predominating. Here, the determination whether respondents' eventual disclosures caused the price of Halliburton stock to drop will be the same for every class member. Indeed, respondents acknowledge that in this case, "loss causation stands or falls on a classwide basis." Supp. Br. in Opp. 9. Thus, even if evidence suggesting the absence of loss causation were properly viewed as rebutting the presumption of reliance, respondents' efforts to contest the loss causation

issue would provide no basis for denying class certification.[2]

3. The Court stated in *Basic* that a *defendant* "may rebut proof of the elements giving rise to the presumption, or show that the misrepresentation in fact did not lead to a distortion of price or that an individual plaintiff traded or would have traded despite his knowing the statement was false." 485 U.S. at 248. All of the examples the Court provided involved showings that a *defendant* could make. *Id.* at 248-249. See, *e.g.*, *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 483 (2d Cir. 2008) ("Under *Basic*, * * * the burden of showing that there was no price impact is properly placed on defendants at the rebuttal stage.").[3] Thus, even if a de-

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[2] In both *Oscar* and this case, the clear thrust of the court of appeals' analyses was that proof of loss causation was lacking with respect to *all* members of the class. If that conclusion were treated as dispositive, it would logically imply that petitioners' suit cannot proceed either as a class action or as an individual suit, since loss causation is an essential element of petitioner's own claim. As respondents have emphasized, however, the court of appeals' decision "d[id] not finally resolve the * * * dispute" (Br. in Opp. 16) because petitioner remains free to pursue its individual claim. In allowing the individual suit to go forward, the court of appeals presumably recognized that, notwithstanding petitioner's purported failure to establish loss causation by a preponderance of the evidence at a threshold stage of the litigation, petitioner may still be able to prove that element of its claim to a reasonable jury's satisfaction after discovery and trial. See pp. 25-28, *infra*. The solution the Fifth Circuit devised—*i.e.*, denying class certification based on a judicial finding that loss causation had not been proved, while implicitly recognizing that the loss-causation issue would remain open in petitioner's individual suit—has no basis either in Rule 23 or in this Court's precedents.

[3] Although the Second Circuit correctly recognized that defendants bear the burden of rebutting the fraud-on-the-market presumption, the court erred in stating that a district court "must permit defendants to

fendant could defeat class certification at the outset by rebutting the fraud-on-the-market presumption of reliance, a class plaintiff could not properly be required to prove loss causation at that threshold stage of the suit.

4. Contrary to the Fifth Circuit's suggestion in *Oscar*, see 487 F.3d at 269-270, a plaintiff's inability to prove loss causation does not prove that the defendant's alleged misstatements had no initial impact on the price of the relevant security. When the Court in *Basic* explained how a defendant could "rebut the presumption of reliance," 485 U.S. at 248-249, it did not mention loss causation. Instead, the Court stated that the defendant could rebut the presumption by "sever[ing] the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Id.* at 248. The Court's reference to the "price received (or paid) by the plaintiff" reflects the Court's focus on the initial transaction, not on subsequent events that might (or might not) cause the plaintiff to suffer an economic loss.

As this Court's decision in *Dura Pharmaceuticals, Inc.* v. *Broudo*, 544 U.S. 336, 341 (2005) (*Dura*), makes clear, reliance and loss causation are distinct elements of a securities-fraud claim. In *Dura*, the Court held that a plaintiff does not adequately allege loss causation simply by alleging that he purchased stock at an inflated price due to a defendant's misrepresentation or omission. *Id.* at 342-346. The Court explained that an investor who buys stock at an inflated price suffers no immediate loss because "the inflated purchase payment is offset by ownership of a share that *at that instant* pos-

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present their rebuttal arguments before certifying a class." *In re Salomon Analyst Metromedia Litig.*, 544 F.3d at 485 (internal quotation marks omitted). See pp. 17-19, *supra*.

sesses equivalent value." *Id.* at 342. While acknowledging the existence of a "logical link between the inflated share purchase price and any later economic loss," the Court characterized that connection as "not invariably strong" because the purchaser's subsequent sale of the shares at a lower price "may reflect, not the earlier misrepresentation, but changed economic circumstances, changed investor expectations, [or] new industry-specific or firm-specific facts, conditions, or other events." *Id.* at 343.

Respondents contend (Supp. Br. in Opp. 6) that the recognized distinction between reliance and loss causation is irrelevant here because "the absence of *either one* of these elements destroys the fraud-on-the-market presumption." That is incorrect. To be sure, a plaintiff must ultimately establish both reliance and loss causation in order to *prevail* in a securities-fraud suit. But while the plaintiff's failure to prove loss causation precludes any recovery, it does not rebut the fraud-on-the-market presumption or otherwise demonstrate that the plaintiff did not rely on any material misstatement.

The gravamen of the fraud-on-the-market theory is that, because "the market price of shares traded on well-developed markets reflects all publicly available information," any public material misstatements bearing on the stock's value will presumptively affect the amount that any investor pays for shares during the period that the market is misled. *Basic*, 485 U.S. at 246; see *id.* at 242-243, 246-247. The existence of market distortion, however, does not mean that such investors will ultimately suffer any economic loss. Even if a misrepresentation inflates the purchase price, if "the purchaser sells the shares quickly before the relevant truth begins to leak out, the misrepresentation will not have led to any

loss." *Dura*, 544 U.S. at 342. If the purchaser "sells later after the truth makes its way into the marketplace * * * even at a lower price, that lower price may reflect, not the earlier misrepresentation, but" other factors. *Id.* at 342-343. See *Schleicher*, 618 F.3d at 686-687 (providing additional example in which the absence of loss causation as to certain members of a putative class does not disprove that the price of the stock had been distorted by the company's misrepresentations). Respondents are therefore wrong in contending (Supp. Br. in Opp. 6) that a plaintiff's inability to prove loss causation "destroys the fraud-on-the-market presumption."

C. The Court Of Appeals Erred In Treating Petitioner's Perceived Likelihood Of Success On The Merits As Relevant To The Class-Certification Inquiry, And The Court Compounded Its Error By Requiring Petitioner To Prove Loss Causation By A Preponderance Of The Evidence At The Class-Certification Stage

1. In *Eisen* v. *Carlisle & Jacquelin*, *supra*, the Court considered whether Rule 23 allows a district court to consider the merits of a plaintiff's claims "as part of the determination whether a suit may be maintained as a class action." 417 U.S. at 177-179. In *Eisen*, the district court had conducted a "preliminary hearing on the merits" to determine whether the plaintiff or the defendants should bear the cost of notice to the class. *Id.* at 168. Because the district court concluded that the plaintiff was more likely than not to prevail at trial, the court imposed the cost of notice on the defendants. *Ibid.* This Court disapproved that approach, "find[ing] nothing in either the language or history of Rule 23 that gives a court any authority to conduct a preliminary inquiry into

the merits of a suit in order to determine whether it may be maintained as a class action." *Id.* at 177.

The Court explained that, at the class-certification stage, "the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met." *Eisen*, 417 U.S. at 178 (quoting *Miller* v. *Mackey Int'l, Inc.*, 452 F.2d 424, 427 (5th Cir. 1971)). The Court noted that Rule 23 specifies the prerequisites to certification of a case as a class action, *id.* at 162-163, and it found nothing in the rule that allows a court to condition class certification on likely success on the merits, *id.* at 177. Accordingly, the Court held that the merits of the plaintiff's claims may be considered at the class-certification stage only when necessary to determine whether the proposed plaintiff class meets the requirements of Rule 23. See *id.* at 177-178; see also Fed. R. Civ. P. 23(c)(1) advisory committee's note (2003) (Amendment) ("an evaluation of the probable outcome on the merits is not properly part of the certification decision").

To be sure, the class-certification question may "involve[] considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action." *Falcon*, 457 U.S. at 160 (internal quotation marks omitted). The determination whether "questions of law or fact common to class members predominate," Fed. R. Civ. P. 23(b)(3), may require analysis of the elements of the plaintiff's claims and the manner in which those elements would ordinarily be proved. See *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d at 317; *Shook* v. *Board of County Comm'rs of El Paso County*, 543 F.3d 597, 612 (10th Cir. 2008); see also, *e.g.*, *Falcon*, 457 U.S. at 155-160 (conducting such an analysis). In *Basic*, for

example, the Court's holding that the securities-fraud claims were amenable to class treatment rested in part on its antecedent determination that the reliance element could be proved through the fraud-on-the-market presumption. See 485 U.S. at 242-250; pp. 10-11, *supra*. But the possibility of "overlap between a Rule 23 requirement and a merits issue" does not mean that the district court may treat likelihood of success on the merits as a prerequisite for class certification. *In re Initial Pub. Offerings Sec. Litig.*, 471 F.3d 24, 41 (2d Cir. 2006). So long as a plaintiff demonstrates that common questions predominate over questions that affect only individual class members (and that the suit meets the other requirements in Rule 23), he is "entitl[ed] * * * to pursue his claim as a class action." *Shady Grove*, 130 S. Ct. at 1437.

2. The court below, relying on *Oscar*, held that a plaintiff in a putative securities-fraud class action is required to prove loss causation "at the class certification stage by a preponderance of all admissible evidence." Pet. App. 115a (quoting *Oscar*, 487 F.3d at 269). The court required that showing even though the parties "did not dispute" the facts giving rise to the fraud-on-the-market presumption (the efficiency of the market and petitioner's trading activity). *Ibid.* The court of appeals further held that, even when the price of the relevant securities is shown to have fallen soon after the defendant's prior misstatements were corrected, the plaintiff must prove at the class-certification stage that the price drop was caused by the corrective statement rather than by some other contemporaneous disclosure. *Id.* at 117a-118a.

The burden that rule imposes is a heavy one. Because petitioner alleged that respondents had made

false statements followed by corrective disclosures that resulted in losses to the class members, the court required petitioner to show that respondents' alleged corrective disclosures were "*related* to the false, non-confirmatory positive statement made earlier" and "that it is *more probable than not* that it was this related corrective disclosure, and not any other unrelated negative statement, that caused the stock price decline." Pet. App. 119a-120a (internal quotation marks omitted); see *Oscar*, 487 F.3d at 265, 270. In the court's view, such a showing generally "requires both expert testimony and analytical research or an event study that demonstrates a linkage between the culpable disclosure and the stock-price movement." Pet. App. 130a; see *Oscar*, 487 F.3d at 270-271. The court then conducted a thorough merits analysis, addressing each alleged misstatement and corrective disclosure in turn before concluding that petitioner had failed to prove that the class losses were likely caused by respondents' corrective disclosures. Pet. App. 123a-136a.

3. Respondents contend that the Fifth Circuit's approach has no substantive impact on the outcome of the lawsuit and that this case presents "only the procedural question whether certain meritless class actions should be certified." Supp. Br. in Opp. 5. That assertion might have force if the district court had denied class certification on the ground that petitioner's *complaint* did not sufficiently *allege* a violation of Section 10(b) and Rule 10b-5. Although such an approach would be analytically wrong, see *Eisen*, 417 U.S. at 178 (explaining that, under Rule 23, "the question is not whether the plaintiff or plaintiffs have stated a cause of action"), the likely practical consequences of such an error would be slight, since a district court in ruling on a motion to dismiss can

assess the adequacy of a plaintiff's allegations at a threshold stage of the case. If a district court concludes that a plaintiff's allegations are legally insufficient, and if that assessment of the complaint is otherwise sound, an erroneous effort to incorporate that analysis into the class-certification inquiry is unlikely to change the ultimate disposition of the case.

The error committed by the Fifth Circuit in *Oscar* and in this case, by contrast, has real practical significance. The court of appeals did not simply shoehorn a motion-to-dismiss inquiry into the class-certification analysis, but instead required petitioner to prove an essential element of its case at a threshold stage of the litigation. The error in that approach went far beyond simply placing the wrong label on an inquiry that the district court was in substance permitted to undertake. By requiring such proof at the class-certification stage, and by directing the district court to determine whether that burden had been discharged, the court of appeals improperly preempted the merits inquiries that occur at summary judgment and at trial. For two principal reasons, that error creates a significant danger that class certification will be denied in cases where the plaintiff class could ultimately prevail.

First, the *Oscar* rule requires plaintiffs to prove an essential element of their case before they have had an adequate opportunity to adduce the evidence required for such a showing. The lengthy analyses of loss causation performed by the courts below in this case attest to the fact that full consideration of loss causation is a detailed and complex inquiry. Under Rule 23, however, class certification is to be decided "[a]t an early practicable time after a person sues or is sued as a class representative." Fed. R. Civ. P. 23(c)(1). At that point, dis-

covery may not be complete, or even substantially underway.[4] The *Oscar* court suggested that discovery was not necessary to prove loss causation because "[i]ts 'proof' is drawn from public data and public filings." 487 F.3d at 267. That suggestion is belied, however, by the court's rejection of the expert testimony presented in that case and its explanation that "plaintiffs must do more" by providing an "empirically-based showing" as to the cause of the plaintiff's loss. *Id.* at 270-271.

Second, even in cases where discovery would not meaningfully supplement the range of available evidence bearing on loss causation, the Fifth Circuit's approach improperly requires district courts to usurp the role of juries in resolving disputed loss-causation issues. In order to obtain summary judgment, a defendant must show that, viewing the evidence in the light most favorable to the plaintiff, there are no genuine issues of material fact for trial. See, *e.g.*, *Celotex Corp.* v. *Catrett*, 477 U.S. 317, 323-324 (1986); *Adickes* v. *S.H. Kress & Co.*, 398 U.S. 144, 157 (1970); Fed. R. Civ. P. 56(c). Summary judgment is not appropriate if "there are any genuine factual issues that properly can be resolved only by a finder of fact because they may reasonably be resolved

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[4] A named plaintiff's lack of access to discovery at the class-certification stage of a securities-fraud suit is particularly significant if the Fifth Circuit's opinion in this case is read to require proof of scienter as well as (or as a supposed component of) loss causation. Compare Pet. App. 123a n.35 (plaintiff need not prove "intentional fraud" at class certification) with *id.* at 121a-122a (loss-causation showing requires proof that "the corrective disclosure shows the misleading or deceptive nature of the prior positive statements" and that "original estimates or predictions were designed to defraud"). Proof that the defendant acted with scienter may be particularly difficult to adduce before discovery has taken place.

in favor of either party." *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986).

Under the Fifth Circuit's approach, however, the district court must decide at the class-certification stage whether the named plaintiff has proved loss causation by a preponderance of the evidence, not simply whether a reasonable fact-finder could so conclude. Under that preponderance standard, a named plaintiff could be denied class certification even if it proffered sufficient evidence of loss causation to survive a summary judgment motion. The court of appeals' approach therefore does not simply expedite the resolution of an issue that the district court would ultimately have been required to decide in any event. Rather, it improperly denies class members in securities-fraud suits the opportunity to have loss-causation issues resolved by a jury. See *Tellabs*, 551 U.S. at 326-328 (recognizing that plaintiffs are entitled to have their securities-fraud claims decided by a jury once a sufficient initial showing has been made).[5]

4. A central theme of respondents' submissions is that class-action plaintiffs should be required to prove loss causation at the class-certification stage in order to avoid certification of meritless actions. Br. in Opp. 8-9, 23-25; Supp. Br. in Opp. 2, 4, 5, 9, 11. Other procedural mechanisms (*e.g.*, motions to dismiss under Federal Rule of Civil Procedure 12, or motions for summary

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[5] Respondents contend (Supp. Br. in Opp. 11) that the court of appeals' approach is "not inconsistent with either summary judgment or jury-trial principles" because a jury may revisit the issue of loss causation and reach a conclusion different from that of the district court. That argument is misconceived because the denial of class certification effectively precludes the claims of unnamed class members from being presented to a jury.

judgment under Rule 56), however, are specifically designed to avoid needlessly protracted litigation of meritless claims. The prerequisites to class certification under Rule 23 are not intended as additional checks on meritless suits, but instead address the distinct question whether disputed merits issues can appropriately be resolved on a classwide basis. See *Schleicher*, 618 F.3d at 685 (explaining that consideration of the merits is "limited to those aspects of the merits that affect the decisions essential under Rule 23"); *id.* at 686 ("Rule 23 allows certification of classes that are fated to lose as well as classes that are sure to win."). Use of Rule 23 as an additional merits screen is particularly inappropriate in the securities-fraud context, where Congress has recently addressed the burdens imposed by private suits, including through certain provisions directed specifically at class actions, without requiring plaintiffs to prove an element of their claims as a prerequisite to class certification. See pp. 14-15, *supra*.

If, after discovery, petitioners cannot adduce evidence from which a reasonable jury could infer that respondents' misstatements caused economic loss to the plaintiff class, respondents will be entitled to summary judgment. Alternatively, if it becomes apparent that some class members cannot recover (*e.g.*, because the evidence shows that the relevant facts were made known to the market before those class members purchased their shares), then the district court may modify the class-certification order. See *Schleicher*, 618 F.3d at 686-687; see also *Falcon*, 457 U.S. at 160 ("Even after a certification order is entered, the judge remains free to modify it in light of subsequent developments in the litigation."). It puts "the cart before the horse," however, to insist that plaintiffs prove that the defendant's fraud

caused their losses before any class can be certified. *Schleicher*, 618 F.3d at 687.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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MARCH 2011

APPENDIX

1. 15 U.S.C. 78j provides, in pertinent part:

Manipulative and deceptive devices

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange—

* * * * *

(b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, or any securities-based swap agreement (as defined in section 206B of the Gramm-Leach-Bliley Act), any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

* * * * *

2. 15 U.S.C. 78u-4 provides, in pertinent part:

Private securities litigation

* * * * *

(b) Requirements for securities fraud actions

(1) Misleading statements and omissions

In any private action arising under this chapter in which the plaintiff alleges that the defendant—

(A) made an untrue statement of a material fact; or

(B) omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading;

the complaint shall specify each statement alleged to have been misleading, the reason or reasons why the statement is misleading, and, if an allegation regarding the statement or omission is made on information and belief, the complaint shall state with particularity all facts on which that belief is formed.

(2) Required state of mind

In any private action arising under this chapter in which the plaintiff may recover money damages only on proof that the defendant acted with a particular state of mind, the complaint shall, with respect to each act or omission alleged to violate this chapter, state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind.

(3) Motion to dismiss; stay of discovery

(A) Dismissal for failure to meet pleading requirements

In any private action arising under this chapter, the court shall, on the motion of any defendant, dismiss the complaint if the requirements of paragraphs (1) and (2) are not met.

(B) Stay of discovery

In any private action arising under this chapter, all discovery and other proceedings shall be stayed during the pendency of any motion to dismiss, unless the court finds upon the motion of any party that particularized discovery is necessary to preserve evidence or to prevent undue prejudice to that party.

(C) Preservation of evidence

(i) In general

During the pendency of any stay of discovery pursuant to this paragraph, unless otherwise ordered by the court, any party to the action with actual notice of the allegations contained in the complaint shall treat all documents, data compilations (including electronically recorded or stored data), and tangible objects that are in the custody or control of such person and that are relevant to the allegations, as if they were the subject of a continuing request for production of documents from an opposing party under the Federal Rules of Civil Procedure.

(ii) Sanction for willful violation

A party aggrieved by the willful failure of an opposing party to comply with clause (i) may apply to the court for an order awarding appropriate sanctions.

(D) Circumvention of stay of discovery

Upon a proper showing, a court may stay discovery proceedings in any private action in a State

court, as necessary in aid of its jurisdiction, or to protect or effectuate its judgments, in an action subject to a stay of discovery pursuant to this paragraph.

(4) Loss causation

In any private action arising under this chapter, the plaintiff shall have the burden of proving that the act or omission of the defendant alleged to violate this chapter caused the loss for which the plaintiff seeks to recover damages.

* * * * *

3. 17 C.F.R. 240.10b-5 provides, in pertinent part:

Employment of manipulative and deceptive devices.

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

* * * * *

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading

* * * * *

4. Federal Rule Civil Procedure Rule 23 provides, in pertinent part:

Class Actions

(a) **Prerequisites.** One or more members of a class may sue or be sued as representative parties on behalf of all members only if:

(1) the class is so numerous that joinder of all members is impracticable;

(2) there are questions of law or fact common to the class;

(3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and

(4) the representative parties will fairly and adequately protect the interests of the class.

(b) **Types of Class Actions.** A class action may be maintained if Rule 23(a) is satisfied and if:

(1) prosecuting separate actions by or against individual class members would create a risk of:

(A) inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class; or

(B) adjudications with respect to individual class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or

impede their ability to protect their interests;

(2) the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole; or

(3) the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy. The matters pertinent to these findings include:

(A) the class members' interests in individually controlling the prosecution or defense of separate actions;

(B) the extent and nature of any litigation concerning the controversy already begun by or against class members;

(C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and

(D) the likely difficulties in managing a class action.

(c) Certification Order; Notice to Class Members; Judgment; Issues Classes; Subclasses.

(1) ***Certification Order.***

(A) *Time to Issue.* At an early practicable time after a person sues or is sued as a class representative, the court must determine by order whether to certify the action as a class action.

(B) *Defining the Class; Appointing Class Counsel.* An order that certifies a class action must define the class and the class claims, issues, or defenses, and must appoint class counsel under Rule 23(g).

(C) *Altering or Amending the Order.* An order that grants or denies class certification may be altered or amended before final judgment.

(2) ***Notice.***

(A) *For (b)(1) or (b)(2) Classes.* For any class certified under Rule 23(b)(1) or (b)(2), the court may direct appropriate notice to the class.

(B) *For (b)(3) Classes.* For any class certified under Rule 23(b)(3), the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort. The notice must clearly and concisely state in plain, easily understood language:

(i) the nature of the action;

(ii) the definition of the class certified;

(iii) the class claims, issues, or defenses;

(iv) that a class member may enter an appearance through an attorney if the member so desires;

(v) that the court will exclude from the class any member who requests exclusion;

(vi) the time and manner for requesting exclusion; and

(vii) the binding effect of a class judgment on members under Rule 23(c)(3).

(3) ***Judgment.*** Whether or not favorable to the class, the judgment in a class action must:

(A) for any class certified under Rule 23(b)(1) or (b)(2), include and describe those whom the court finds to be class members; and

(B) for any class certified under Rule 23(b)(3), include and specify or describe those to whom the Rule 23(c)(2) notice was directed, who have not requested exclusion, and whom the court finds to be class members.

(4) ***Particular Issues.*** When appropriate, an action may be brought or maintained as a class action with respect to particular issues.

(5) ***Subclasses.*** When appropriate, a class may be divided into subclasses that are each treated as a class under this rule.

* * * * *

AMICUS CURIAE BRIEF

Supreme Court, U.S.
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In the Supreme Court of the United States

ERICA P. JOHN FUND, INC.,
Petitioner,

v.

HALLIBURTON, CO., ET AL.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF AARP AND NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC. AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

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INTERESTS OF *AMICI CURIAE*[1]

AARP is a non-partisan, non-profit organization dedicated to representing the needs and interests of people age fifty and older. AARP is greatly concerned about fraudulent, deceptive and unfair business practices, many of which disproportionately harm older people. AARP thus supports laws and public policies designed to protect older people from such business practices and to preserve the legal means for them to seek redress. Among these activities, AARP advocates for improved access to the civil justice system and supports the availability of the full range of enforcement tools, including class actions.

A significant percentage of the investing public in the United States' markets is comprised of members of the age fifty and older population. Older persons are frequent targets of financial fraud because they often have significant assets and they look for investment opportunities that will supplement Social Security and other sources of retirement income. As a result, AARP has elevated the need to combat securities fraud and made this issue a high priority. The Association has regularly commented on legislative and regulatory proposals that address investment fraud, filed *amicus* briefs in

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[1] In accordance with this Court's Rule 37.6, no party's counsel wrote this brief in whole or in part and no person other than amici or their counsel made a monetary contribution intended to fund the preparation or submission of the brief. The parties' letters consenting to the filing of this brief have been lodged with the Clerk of the Court.

cases involving the securities laws, and opposed legislative efforts to limit the remedies of defrauded investors.

The North American Securities Administrators Association, Inc. ("NASAA") is the non-profit association of state, provincial, and territorial securities regulators in the United States, Canada, and Mexico. It has sixty-seven (67) members, including the securities regulators in all fifty (50) states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Formed in 1919, NASAA is the oldest international organization devoted to protecting investors from fraud and abuse in the offer and sale of securities.

NASAA's members are responsible for regulating securities transactions under state law, and their principal activities include registering local securities offerings; licensing the brokers and investment advisers who sell securities or provide investment advice; and initiating enforcement actions to address fraud and other misconduct. They are intimately familiar with the investment offerings and sales abuses confronting their state residents on a daily basis.

NASAA supports all of its members' activities and it appears as amicus curiae in important cases involving securities regulation and investor protection. Recognizing that private actions are an essential complement to governmental enforcement of the securities laws, NASAA and its members also support the rights of investors to seek redress in

court for investment-related fraud and abuse. NASAA and its members have an interest in this appeal because it will profoundly affect the ability of investors to seek redress in cases where unscrupulous companies and individuals seek to cloak their fraudulent acts through perverse uses of the corporate form.

The resolution of this case will have a significant impact on the integrity of the securities markets and the remediation of securities fraud in those markets. This is of particular concern at this time, to both AARP and NASAA, given the entry of many first-time investors into the market and the responsibility for retirement investing that pensioners have had to assume as a result of the shift in the retirement plan paradigm from defined benefit pension plans (under which employers bear the risk of loss) to defined contribution pension plans (under which plan participants bear the risk of loss).

SUMMARY OF ARGUMENT

Securities fraud litigation initiated by private parties under the U.S. Securities and Exchange Commission's Rule 10b-5, 17 C.F.R. § 240.10(b) ("Rule 10b-5"), serves as an essential means of protecting the integrity of the securities markets for investors, maintaining investor confidence in the markets, and making victims whole. The Fifth Circuit's loss causation requirement, however, undermines private securities actions in contravention of *Basic v. Levinson*, 485 U.S. 224 (1988) and Congress' support for such litigation.

Basic serves to aid plaintiffs seeking class certification under Federal Rule of Civil Procedure 23(b)(3) ("Rule 23") by providing them the fraud-on-the-market presumption to demonstrate reliance as a class and satisfy the predominance requirement. The Fifth Circuit's approach contravenes this Court's underlying rationale and establishes a substantial hurdle to certification in many cases by requiring the plaintiff to demonstrate loss causation prior to relying on this presumption. The Circuit mistakenly relies on *Basic*, however, because loss causation focuses on the effects of the defendant's conduct and not on each potential member of the class and is therefore wholly different from reliance.

Moreover, the Fifth Circuit's holding undermines private securities litigation by adding loss causation as a prerequisite for class certification when it is not part of the plain language of Rule 23. Further, Congress in its lawmaking has recognized the interests that must be balanced in facilitating private securities litigation and plainly addressed these interests through the Private Securities Litigation Reform Act of 2005 ("PSLRA"), 15 U.S.C. 78u-4 (2006), and the Securities Litigation Uniform Standards Act ("SLUSA"), 15 U.S.C. § 78a (2006). The Fifth Circuit's loss causation requirement tampers with the balance struck in these statutes and implements a hurdle that Congress chose not to enact.

Therefore, as a result of the importance of Rule 10b-5 and the unavailability of alternative remedies under state law, the Fifth Circuit's

requirement that a plaintiff demonstrate loss causation by a preponderance of the evidence at the certification stage will have a deleterious result on private securities litigation, leaving investors unprotected.

ARGUMENT

The Fifth Circuit's requirement that the named plaintiff prove loss causation by a preponderance of the evidence prior to class certification creates an insurmountable hurdle that will close the door to the private securities actions that Congress embraced under Section 10(b) of the Securities and Exchange Act of 1934 and the U.S. Securities and Exchange Commission ("Commission") implemented through Rule 10b-5.

I. RULE 10b-5 PROVIDES PLAINTIFFS THE OPPORTUNITY TO BRING PRIVATE SECURITIES LITIGATION.

Congress' intention to provide individual investors private rights of action in securities frauds claims is manifest throughout the federal securities law. Section 10(b) of the Securities and Exchange Act of 1934 makes it unlawful to violate the rules promulgated by the Commission. *See* 15 U.S.C. § 78j(b). In turn, Rule 10b-5 provides that it is unlawful, during the sale or purchase of a security, for an issuer to "make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in

light of the circumstances under which they were made, not misleading." *See* 17 C.F.R. § 240.10b-5(b).

In order to prove a violation of Rule 10b-5, a party must demonstrate (1) the presence of a material misrepresentation or omission; (2) the defendant's scienter; (3) a connection between the misrepresentation or omission and the transaction involving the security; (4) a plaintiff's reliance on the misrepresentation or omission; (5) a plaintiff's economic loss; and (6) a causal connection between the misrepresentation or omission and the plaintiff's loss. *See Dura Pharms., Inc. v. Broudo* (*Dura*), 544 U.S. 336, 341 (2005). Because Rule 10b-5 does not specify these elements, *see* 17 C.F.R. 240.10b-5(b), this Court has taken the initiative for detailing the requirements of proving a violation of Rule 10b-5, *see* Matthew L. Fry, *Pleading and Proving Loss Causation in Fraud-on-the-Market-Based Securities Suits Post*-Dura Pharmaceuticals, 36 Sec. Reg. L.J. 31, 33 (2008).

Rule 10b-5 creates a private right of action. *See Dura*, 544 U.S. at 341, 345 (recognizing the importance of the private right of action in securities cases and explaining their role in maintaining public confidence and deterring fraud). This private right of action is often pursued by a class certified pursuant to Federal Rule of Civil Procedure 23 ("Rule 23"). Successful certification of a class under Rule 23 requires the named plaintiff to show numerosity, commonality, and adequacy of representation. Further, the named plaintiff must demonstrate that her claim falls within Rule 23(b).

The named plaintiff in this case seeks to demonstrate that its suit falls within Rule 23(b)(3), Pet. Mot. For Class Certification 8-9 (Sept. 17, 2007), which provides for class certification when "the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy," Fed. R. Civ. P. 23(b)(3).

This Court embraced the importance of certified classes pursuing private causes of action under Rule 10b-5 and made such classes more feasible through its holding in *Basic*, 485 U.S. at 241. Because reliance, unlike any of the other factors in a Rule 10b-5 claim, is specific to each member of the class, this Court aided the ability of plaintiffs to demonstrate a common question of fact under Rule 23(b) by allowing them to establish a presumption of reliance, rather than having them demonstrate reliance for each member of the proposed class. *See id.* To establish this presumption, the plaintiff must demonstrate (1) the alleged misrepresentations were made publicly by the defendant; (2) the shares at issue were traded in an efficient market; and (3) the trading of shares took place in the time between when the misrepresentations were made and the truth was revealed. *See Basic*, 485 U.S. at 241-42.

This presumption does not apply to the other factors for a Rule 10b-5 violation. Unlike the issue of whether a particular plaintiff relied on the

defendant's misstatement or omission, in the context of the other elements of a Rule 10b-5 claim the plaintiff's reliance is irrelevant because the elements of a Rule 10b-5 inquiry revolve around the defendant's conduct and its effect on the market. Nevertheless, despite the inapplicability of *Basic*'s presumption as to the other elements of a Rule 10b-5 claim, the Fifth Circuit and the Respondent seek to apply this Court's analysis to the loss causation factor. *See Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.* ("*AMSF*"), 597 F.3d 330, 335 (5th Cir. 2010); Joint Brief of the Appellees Halliburton Company and David J. Lesar at 18, *AMSF*, 597 F.3d 330 (5th Cir. 2010). This use of the *Basic* holding not only reverses this Court's attempt to facilitate more efficient class certification in the Rule 10b-5 context, but also builds a restrictive wall around class certification. Significantly, rather than walling off class certification, as is the result of the Fifth Circuit's approach, *Basic* represents the importance this Court places on facilitating class certifications, which allow plaintiffs the opportunity to prove their Rule 10b-5 claim on its merits.

II. PRIVATE SECURITIES LITIGATION SERVES A CRUCIAL ROLE IN THE ENFORCEMENT OF THE SECURITIES LAWS, MAINTAINING INVESTOR CONFIDENCE, AND MAKING VICTIMS WHOLE.

Securities fraud litigation initiated by private parties is an essential means of enforcing the securities laws and protecting the integrity of the securities markets for investors and maintaining investor confidence in the markets. The limited

resources of the Commission are selectively employed and are seldom directed at making securities fraud victims whole. *See* Brief of the United States as Amicus Curiae Supporting Respondents at 1, *Merck & Co., Inc. v. Reynolds*, 130 S. Ct. 1784 (2010) (recognizing the importance of private securities litigation as a supplement to the Commission's criminal and civil enforcement actions); Brief for the Securities and Exchange Commission as Amicus Curiae in Support of Partial Affirmance at 6, *Herman & MacLean v. Huddleston*, 459 U.S. 375 (1983).

Consequently, the answer to the questions presented in this case will have immediate and potentially serious repercussions for the civil enforcement of securities law violations in this country, especially as they relate to Rule 10b-5. As financial crimes abound and alternative forums for aggrieved investors remain limited, it is especially important that the federal courts interpret federal law in a way that, to the extent possible, affords meaningful remedies to victims of securities fraud. This Court's reversal of the Fifth Circuit's holding will help accomplish this objective by fulfilling the standards articulated in Rule 10b-5 and providing plaintiffs a source of relief not otherwise available under state law.

A. This Court and Congress Have Emphasized the Importance of Private Securities Litigation in Deterring and Redressing Securities Fraud.

The Court has long recognized the vital importance of legitimate private securities litigation to the federal enforcement regime for securities fraud. *See, e.g., Lampf, Pleva, Lipkind, Prupis & Petigrow v. Gilbertson*, 501 U.S. 350 (1991); *Pinter v. Dahl*, 486 U.S. 622 (1988); *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (observing that "implied private actions are a most effective weapon in the enforcement of the securities laws"); *J.I. Case Co. v. Borak*, 377 U.S. 426, 432 (1964). *See also Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 730 (1975) (stating that "private enforcement" of Rule 10b-5 is "a necessary supplement to Commission action"). In these and other decisions, the Court has recognized a strong Congressional policy of favoring private actions as a means of achieving the fundamental goals of our securities laws: fraud deterrence, victim compensation, and the promotion of investor confidence.

As a deterrent, private securities actions are essential to inspiring compliance with securities laws. As the Commission has explained, "given the limited enforcement resources of the Commission, the private right of action is vital to effective enforcement of Section 10(b)." See Brief for the Securities and Exchange Commission as Amicus

Curiae in Support of Partial Affirmance, *supra*, at 6. Former SEC Chairman David Ruder noted in 1989 that in earlier years less than ten percent of cases involving securities or commodities had been brought by the government. *See* David S. Ruder, *The Development of Legal Doctrine through Amicus Participation: The SEC Experience*, 1989 Wis. L. Rev. 1167, 1168.

William R. McLucas, former Director of the Commission's Enforcement Division, has argued that the private right of action under §10(b) and Rule 10b-5 is necessary to supplement federal enforcement of securities laws, based on "the continued growth in the size and complexity of our securities market, and the absolute certainty that persons seeking to perpetuate financial fraud will always be among us." *Private Litigation of the Federal Securities Laws: Hearings Before the Subcomm. on Securities of the Senate Comm. on Banking Housing & Urban Affairs*, 103d Cong., 1st Sess. 113 (June 17, 1993) [hereinafter *Hearings*] (testimony of William R. McLucas). Government agencies are generally strangers to the transactions that give rise to allegations of fraud. Private participants in allegedly fraudulent transactions thus have an informational advantage over government agencies and have stronger incentives to prosecute certain alleged frauds because they stand to profit from any recovery.

Statistics show that "private enforcement . . . dwarf[s] public enforcement," and thus private litigants are much more successful in terms of

recovery than the Commission. John C. Coffee, Jr., *Reforming the Securities Class Action: An Essay on Deterrence and Its Implementation*, 106 Colum. L. Rev. 1534, 1542-43 tbls. 2 & 3 (2006). In fact, "even in major scandals where the [Commission] has brought its own action, the damages paid in securities class actions are usually (but not always) a multiple of those paid to the [Commission]." *Id.* Private actions are also able to reach a much broader range of perpetrated frauds. The Congressional mandate and funding for the Commission only allows it to prosecute the most flagrant abuses of securities laws. The Commission "does not have the resources to investigate every instance in which a public company's disclosure is questionable," an issue that would "continue to be the case even if the Commission's resources were substantially increased." *Berner v. Lazzaro*, 730 F.2d 1319, 1322-23 (9th Cir. 1984). *See also* H.R. Rep. No. 355, 98th Cong., 1st Sess., at 6 (1983) ("In recent years, the securities markets have grown dramatically in size and complexity, while Commission enforcement resources have declined."). Nowhere have the limits of the Commission's abilities to stop and prevent fraud been more apparent than the case of Bernard Madoff, who managed to operate a Ponzi scheme for nearly half a century in spite of continuous oversight from the Commission. Further, probing violations in the mutual fund industry has not been a top priority for the Commission. Marcia Vickers, Commentary, *How Eliot Spitzer Makes the SEC Look Stodgy*, Businessweek (Sept. 15, 2003), *available at* http://www.business week.com/magazine/content /03_37/b384 9047.htm ("The real failure has been on

the enforcement side. The SEC has done nothing to show that it really means business.").

Private enforcement actions are also an essential tool in compensating victims. Private actions afford victims of fraud the best and often only hope of recovering their losses, something for which government enforcement actions are ill equipped. As the Commission has explained,

> When the Commission files an enforcement action, its principal objectives are to enjoin the wrongdoer from future violations of the law, to deprive violators of their profit by seeking orders of disgorgement, and generally to deter other violations by seeking civil money penalties. Although the Commission usually makes disgorged funds available for the compensation of injured investors, the amount of investor losses often exceeds the wrongdoer's ill-gotten gains. Private actions, by contrast, enable defrauded investors to seek compensatory damages and thereby recover the full amount of their losses.

Hearings, *supra*, at 113.

Thus, while the Commission may seek monetary relief, its remedies are designed primarily to deter violations by making them unprofitable, rather than to make investors whole. And with good reason: the

damages in major securities fraud cases can and often do run into the billions of dollars. *See, e.g.*, *Regents of the Univ. of California v. Credit Suisse First Bos.*, 482 F.3d 372, 379 (2007); *In re Global Crossing*, 225 F.R.D. 436, 460 (2004); *see also* Coffee, *supra*, at 1555 (cataloguing settlement amounts in major securities fraud cases).

Accordingly, the primary means of compensating injured investors remains the private action. Finally, and especially important in our current financial downturn, private securities litigation performs a significant role in maintaining investor confidence by enforcing the mandatory disclosure system. As this Court recently noted, "The magnitude of the federal interest in protecting the integrity and efficient operation of the market for nationally traded securities cannot be overstated." *Merrill Lynch, Pierce, Fenner & Smith Inc. v. Dabit*, 547 U.S. 71, 78 (2006). Investor confidence in the integrity of the securities markets is crucial to helping businesses raise the capital they need to expand and keep the lights on. *See Basic*, 485 U.S. at 235 n.12 (1988). If investors are prevented from holding corporate actors accountable for their frauds, investors will be far less willing to participate in our securities markets. *See Hearings*, *supra*, at 145.

B. Rule 10b-5 Represents the Petitioner's Only Source of Redress Because of Federal Limitations on Securities Fraud Claims Based on State Law.

The need to insure that investors have meaningful remedies in federal court is all the more important when state law does not provide an alternative remedy. This is especially true for securities fraud cases in light of the fact that "federal law, not state law has long been the principal vehicle for asserting class-action securities fraud claims." *Dabit*, 547 U.S. at 88. Furthermore, this Court has observed that the disadvantages posed by a restrictive interpretation of federal securities law can be "attenuated" where adequate remedies are available under state law. *See Blue Chip Stamps*, 421 U.S. at 738 n.9 (weighing fact that class action in state court was an alternative remedy); *see also Santa Fe Industries, Inc. v. Green*, 430 U.S. 462, 478 (1977) (state cause of action under corporate law was a factor in determining whether to recognize federal cause of action); *J.I. Case Co.*, 377 U.S. at 434-35 (1964) (noting that if federal jurisdiction is limited and state affords no relief, then the "whole purpose" of the statutory provision might be frustrated). Conversely, where state law does not offer a significant alternative forum for plaintiffs' claims, there is a correspondingly greater justification—and need—for the federal courts to afford relief.

In this case, state law offers limited recourse for investors in the Petitioner's position, as Congress

has expressly limited the use of class action suits seeking recovery for securities fraud under state law. In 1998, Congress enacted SLUSA to address the concern that "securities class action lawsuits [had] shifted from Federal to state courts" as a means of circumventing the Reform Act. *See* 15 U.S.C. § 78a (findings set forth in Pub L. 105-353, § 2, Nov. 3, 1998). With certain exceptions, SLUSA provides that no class action based upon state law may be maintained in any state court on behalf of more than 50 class members. *See id.* § 77p(b). Moreover, state courts generally have not recognized the doctrine of fraud-on-the-market in cases seeking relief under state common law—a doctrine central to Petitioner's case—further limiting the state courts as an alternative forum for investors aggrieved by misconduct of the sort alleged in this case. *See, e.g.*, *Peil v. Speiser*, 806 F.2d 1154, 1163 (3rd Cir. 1986) (noting that no states have adopted fraud on the market theory); *Kaufman v. i-Stat Corp.*, 754 A.2d 1188, 1193-94 (N.J. 2000); *Mirkin v. Wasserman*, 858 P.2d 568, 584 (Cal. 1993).

Precisely because of the massive corporate frauds that have surfaced in recent years, some courts have recognized the need to re-evaluate barriers to civil actions alleging securities fraud. The California Supreme Court, for example, has cited the troubling increase in corporate fraud as a reason to recalibrate the balance between the interests of investors and the interests of corporations, in favor of providing greater judicial recourse to victims of fraud. The court explained that

When Congress enacted the Private Securities Litigation Reform Act of 1995 and the Uniform Standards Act of 1998, it was almost entirely concerned with preventing non-meritorious suits. But events since 1998 have changed the perspective. The last few years have seen repeated reports of false financial statements and accounting fraud, demonstrating that many charges of corporate fraud were neither speculative nor attempts to extort settlement money, but were based on actual misconduct. To open the newspaper today is to receive a daily dose of scandal, from Adelphia to Enron and beyond. Sadly, each of us knows that these newly publicized instances of accounting-related securities fraud are no longer out of the ordinary, save perhaps in scale alone. The victims of the reported frauds, moreover, are often persons who were induced to hold corporate stock by rosy but false financial reports, while others who knew the true state of affairs exercised stock options and sold at inflated prices. Eliminating barriers that deny redress to actual victims of fraud now assumes an importance equal

> to that of deterring non-meritorious suits.

See Small v. Fritz Companies, Inc., 65 P. 3d 1255, 1263-64 (Cal. 2003) (internal citations and quotation marks omitted).

III. THE FIFTH CIRCUIT'S REQUIREMENT OF PROVING LOSS CAUSATION CUTS AGAINST THIS COURT'S PRECEDENT, CONGRESS' ENACTMENT OF SECURITIES FRAUD REMEDIAL PROVISIONS UNDER SECTION 10(B), AND THE SEC'S REGULATORY AUTHORITY EXPRESSED IN RULE 10b-5.

The Fifth Circuit's requirement that plaintiffs demonstrate loss causation by a preponderance of the evidence prior to class certification mistakenly relies on this Court's precedent in *Basic* and undermines Court precedent, Congressional enactment, and regulatory rulemaking.

A. The Fifth Circuit's Loss Causation Requirement Contravenes this Court's Holding in *Basic*.

By requiring the plaintiff to prove loss causation when demonstrating the common issues of law and fact under Rule 23(b)(3), the Fifth Circuit's holding erects a substantial hurdle in contravention of this Court's recognition of the importance of private securities fraud causes of action. *See AMSF*, 597 F.3d at 344. The Circuit does not explicitly require loss causation as a condition for Rule 23

certification. Instead, the holding below cloaks the proof hurdle as a prerequisite to relying on *Basic*'s fraud on the market presumption. *See Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007) (holding that "we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market presumption.").

Because a plaintiff seeking to use *Basic*'s reliance presumption must first demonstrate loss causation, the Circuit's requirement directly contravenes this Court's underlying rationale in *Basic*, which aimed to aid rather than hinder plaintiffs seeking to certify a class in Rule 10b-5 actions. *Basic* provides the fraud-on-the-market presumption as a result of the difficulty of proving reliance for each individual class member. Loss causation, however, does not share this characteristic. Specifically, because loss causation focuses on the defendant and not the plaintiffs, it is different from the reliance factor and consequently is necessarily irrelevant to Rule 23 considerations. Unlike reliance, loss causation is necessarily common to all plaintiffs because it focuses merely on whether the defendant's conduct caused a change in the market. The number or type of plaintiff is irrelevant in this consideration. Therefore, while the presence of loss causation may be important in the context of a motion to dismiss, a motion for summary judgment, or a trial, such a consideration is irrelevant when the court evaluates whether plaintiffs share common issues of law or fact under Rule 23(b)(3). Thus, without legal or logical warrant, the Circuit's holding requires plaintiffs to

undertake a merits inquiry not related to class certification prior to having access to full discovery.

Despite the irrelevance of loss causation in determining the existence of common issues of fact, the Fifth Circuit reaffirmed this considerable burden in this case without providing any additional rationale except for reliance on the Circuit's previous holding in *Oscar*. No other circuit has adopted the Fifth Circuit's approach. For instance, the Second Circuit implicitly rejects the requirement that plaintiffs demonstrate loss causation at the certification stage. *See In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474, 483 (2d Cir. 2008). More recently, a unanimous panel of the Seventh Circuit dismissed the loss causation requirement at the certification stage explaining that the Fifth Circuit's requirement "represents a go-it-alone strategy" that "would make certification impossible in many securities suits." *See Schleicher v. Wendt*, 618 F.3d 679, 686-87 (7th Cir. 2010). Writing for the court, Judge Easterbrook recognized that requiring plaintiffs to establish loss causation at the certification stage would cause the circuit to essentially "jettison the fraud-on-the-market exception" established by this Court under *Basic*. *See id.* at 683.

In addition to contravening the underlying rationale in *Basic*, the Fifth Circuit's requirement that the plaintiff establish loss causation at the certification stage creates an impermissible hurdle in two concrete ways. First, the named plaintiff must demonstrate loss causation prior to having the

benefit of discovery – a substantial burden, to be sure! Second, in addition to requiring that the plaintiff demonstrate loss causation at a very early stage in the litigation, the plaintiff makes her proof by a preponderance of the evidence. In sum, under the Circuit's loss causation requirement, the named plaintiff must prove by a preponderance of the evidence that the defendant's misrepresentation or omission caused her loss, and consequently the losses of everyone in the class, without the benefit of full discovery. It may be fairly observed that the burdens imposed by the Fifth Circuit's scheme amount to no less than the plaintiff having to make her entire case on the merits at the class certification stage. *See Schleicher*, 618 F.3d at 686-87 (explaining that requiring loss causation at the class certification stage "gets the cart before the horse" and "make[s] certification impossible in many securities suits").

The court below implicitly concedes the difficulty with the proof burden its analysis imposes and explains that the "showing of loss causation is a 'rigorous process' and requires both expert testimony and analytical research or an event study." *See AMSF*, 597 F.3d at 341. Further, the evidence on which the plaintiff must rely in satisfying this burden is becoming considerably more difficult to acquire. Previously, the Fifth Circuit accepted proof of causation based on "public data and public records." *See Oscar Private Equity Invs.*, 487 F.3d at 267. In the present case, however, the Circuit increases the difficulty of proving causation by requiring the plaintiffs to rely on evidence specific to

the defendant. *See AMSF*, 597 F.3d at 338. In particular, rather than relying on third-party analysis of the defendant's conduct in the market to demonstrate causation, the court held that the plaintiffs must focus on the scienter of the defendant and "prove the corrective disclosure shows the misleading or deceptive nature of the prior positive statements" and that "the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud." *See AMSF*, 597 F.3d at 338. The rigor of the showing required of the plaintiff at the class certification stage is unique in the circuits, and it is unsupported by applicable law.

This substantial burden of proof results in the trial of Rule10b-5 claims on the merits before discovery is substantially completed or even underway. For instance, in the present case, the plaintiff sought certification at approximately six months into discovery proceedings. *See* Brief of Petitioner at 14, *Erica P. John Fund v. Halliburton Co.*, No. 09-1403 (2010). Further, although the plaintiff in this case had the benefit of some discovery, lower courts in the Fifth Circuit have already begun to refuse the requests of plaintiffs to allow more discovery before having to prove loss causation by a preponderance of the evidence. *See, e.g., In re TETRA Technologies, Inc. Securities Litigation*, No. 4:08-cv-0965, 2010 U.S. Dist. LEXIS 33012, at *9 (S.D. Tex. Apr. 5, 2010) (finding that the plaintiffs are not "entitled by law to additional merits discovery prior to submitting their expert report and seeking class certification"). This result

directly contravenes this Court's rationale in *Basic* and imposes severe restrictions on class certification under Rule 10b-5.

B. The Fifth Circuit's Loss Causation Requirement Undermines the Congressional Initiative Expressed In Section 10(b) and the SEC's Regulatory and Enforcement Follow-Up in Rule 10b-5.

This Court, Congress and the SEC embrace the importance of private securities litigation. *See* 15 USCS § 78u-4 (detailing the requirements for a private right of action under the Securities and Exchange Act of 1934); *Dura*, 544 U.S. at 341 (describing the private right of action available under the Securities and Exchange Act of 1934); 17 C.F.R. 240.10b-5. Through Rule 23 Congress and this Court determined the elements for class certification. In enacting the PSLRA and SLUSA Congress provided additional requirements for private securities litigation. These requirements, however, represent the full extent of the hurdles that plaintiffs must overcome in order to certify a class under Section 10(b) and the related Rule 10b-5 and Rule 23. As such, the Fifth Circuit exceeded its judicial power in setting a higher bar. It is beyond argument that additional restrictive measures, such as the need to prove loss causation during class certification under Rule 10b-5, directly contravene Congress' intent by creating requirements that Congress itself omitted from its enactments. The Fifth Circuit's erection of these additional hurdles

beyond the terms of Rule 23 and the PSLRA is unsustainable under the law.

First, a named plaintiff seeking to certify a class must satisfy the requirements of Rule 23. Rule 23 has never stood as an insurmountable bar for plaintiffs by requiring a trial on the merits before discovery is complete and the courts venture out of their proper bounds in erecting such a hurdle. *See Amchem Prods. v. Windsor*, 521 U.S. 591, 620 (1997) (explaining in the context of Rule 23 that "[c]ourts are not free to amend a rule outside the process Congress ordered."). The Fifth Circuit's loss causation requirement, however, contravenes the generally understood and previously accepted operative plan of Rule 23 by requiring a series of "mini-trials on the merits of cases at the class certification stage." *Oscar*, 487 F.3d at 272 (Dennis, J., dissenting). Rather than permitting the erection of hurdles not previously recognized, this Court should focus on the plain language of Rule 23 and consider whether the plaintiffs satisfied the requirements of the Rule as interpreted by *Basic*. *See Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 177-78 (1974).

Second, Congress struck a balance between the various interests in private securities litigation through the PSLRA and SLUSA. In order to address abuses that arose in such actions, Congress changed the pleading standards for scienter and misrepresentation, but remained silent with regard to the loss causation requirement. *See* Fry, *supra*, at 33; *see also Schleicher*, 618 F.3d at 686 (explaining

that Congress already addressed private securities reform by "requir[ing] more at the pleading stage and to ensur[ing] that litigation occurs in federal court). Despite the heightened pleading requirements, this Court recognized the balance that Congress struck and explained that "[n]othing in the PSLRA . . . casts doubt on the conclusion 'that private securities litigation is an indispensable tool with which defrauded investors can recover their losses'-a matter crucial to the integrity of domestic capital markets." *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 321 n.4 (2007) (*quoting Merrill Lynch, Pierce, Fenner & Smith Inc. v. Dabit*, 547 U.S. 71, 81 (2006) (internal quotation marks omitted)).

As such, at the height of reform of private securities litigation, Congress continued to recognize the importance of private securities actions and declined to change the pleading standard for loss causation much less suggest that plaintiffs prove it by a preponderance of the evidence during class certification proceedings. Further, Congress recognized that the heightened pleading standards it created in the PLSRA unintentionally undercut private securities litigation and responded by enacting the SLUSA to help facilitate easier class certification. Nevertheless, the Fifth Circuit seeks to add the loss causation element to reform actions under Section 10(b) and the related Rule 10b-5 in a way that Congress and the Commission did not envision.

Lastly, adding the loss causation requirement cuts against the Securities Act of 1934, as well as the PSLRA and SLUSA, by creating a loophole for dishonesty. In particular, issuers will be able to hide behind a smoke screen of unrelated information to shroud the effect of releasing the details about a prior misstatement or omission. *See* Tad E. Thompson, Recent Development, *Messin' with Texas: How The Fifth Circuit's Decision in* Oscar Private Equity *Misinterprets The Fraud-on-the-Market Theory*, 86 N.C. L. Rev. 1086, 1095-96 (2008); *see also Schleicher v. Wendt*, 618 F.3d 679, 686 (7th Cir. 2010) (explaining that the Fifth Circuit's approach "would make certification impossible in many securities suits, because when true and false statements are made together it is often impossible to disentangle the effects with any confidence"). So long as any misstatement or omission is made in conjunction with unrelated, but accurate, information, plaintiffs will experience significant difficulty in demonstrating loss causation. This loophole becomes especially apparent when it arises early in discovery and the plaintiff must prove causation by a preponderance of the evidence. In such a situation, the plaintiff will not have the necessary information to differentiate between statements of the issuer that caused loss and those deviously designed to cloud the situation. *See* Thompson, *supra*, at 1095-96. This loophole cuts directly against the Securities Act of 1934, by means of which Congress intended to encourage issuers to provide open, full, and honest information in the sale and purchase of securities. *See* H.R. Rep. No. 73-1383, at 11 (1934) (explaining that the Act was

meant to promote fair and honest markets by encouraging full disclosure).

CONCLUSION

For all of the foregoing reasons, *amici* respectfully submit that the decision of the Fifth Circuit should be reversed.

March 1, 2011

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AMICUS CURIAE BRIEF

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO., DAVID J. LESAR,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICUS CURIAE*[1]

The American Institute of Certified Public Accountants ("AICPA") is the national organization of the certified public accounting profession with more than 350,000 members involved in public accounting, business and industry, government and academia. Its members involved in public accounting and their firms audit the financial statements of virtually every public company in the United States, and thus they are often drawn into securities litigation involving issues such as those presented in this case.

Although no member of the AICPA is involved in this case, the standards governing class certification decisions are of immense interest to the profession that the AICPA represents. As this Court has observed, the *in terrorem* effect of class certification is considerable. Curbing that effect in frivolous class actions was one of the main reasons that Congress passed the Private Securities Litigation Reform Act in 1995. That Act not only heightened pleading standards, but made clear that investors must prove loss causation to be successful in a Rule 10b-5 lawsuit.

The firms of AICPA members (as well as officers, directors and other professionals) are frequently named as defendants in securities litigation when investors allege that the audit report issued on a public company's financial

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1. Pursuant to Rule 37.6, *amicus* affirms that no counsel for a party authored this brief in whole or in part, and that no person other than *amicus* and its counsel made a monetary contribution to the preparation or submission of this brief. The parties have filed letters giving blanket consent to the filing of amicus briefs in this case.

statements was false and misleading and thereby violated Section 10(b) of the Securities Exchange Act and Rule 10b-5. A fair number of these allegations survive a motion to dismiss despite the heightened pleading requirements of the Private Securities Litigation Reform Act of 1995. Although the auditors and the other defendants might well defeat the surviving allegations at a later stage of the proceedings (*e.g.*, summary judgment after discovery, or trial), the economic and reputational costs of reaching that point are extraordinarily high and the risk enormous where there is judicial certification of a large class of investors. The risk will be compounded by (i) the fact that many AICPA members (and their firms) audit in any given year the financial statements of many public companies and (ii) the possibility that a public company will declare bankruptcy and thus potentially shift its financial exposure to other defendants.

Further, certification based upon a presumption will invariably cause disclosures (assuming the class action claims are material to the financial statements) that would not have otherwise been made. AICPA members who work as internal accountants for public companies, as well as AICPA members who serve as public company auditors, must consider the adequacy of public litigation contingency reporting, a task made more problematic by class certification. Certification necessarily creates an *in terrorem* effect that is exponentially magnified when companies are called upon, as they are by accounting standards, to disclose the risk in their financial statements and other public reporting. Accordingly, certifying a class, in many instances, can result in a company disclosing a substantial loss contingency which by itself can have a direct impact on the purchase and sale decisions of stock

market investors. A rule that permits a more studied decision regarding whether a class should be certified would allow companies to avoid unnecessary fluctuations in their stock price.

For all these reasons, the AICPA, on behalf of its members, therefore has a keen interest in assuring that its members and their firms, as well as all others involved in the financial reporting process, are able to raise, and have considered before the class certification decision is made, challenges to the underlying assumptions required for class treatment of a Rule 10b-5 case.

Considering at an early litigation stage issues related to whether alleged misrepresentations actually moved the market price would ensure that classes are certified only when those assumptions are valid. This would: (i) save judicial time and resources; (ii) save costs for all parties; (iii) better align litigation costs with real litigation risks; (iv) improve the financial accounting of public companies; and (v) control the *in terrorem* and adverse reputational effects of class actions and mitigate the tendency to file strike suits. That those early stage challenges may touch upon aspects of the loss causation or materiality element of an investor's claim in no way supports precluding defendants from seeking to protect themselves from the unjustifiable costs of erroneous class certification decisions.

SUMMARY OF ARGUMENT

This Court allowed trial courts to grant investors, for purposes of class certification, a rebuttable presumption of reliance based on the fraud-on-the-market theory. *Basic v. Levinson*, 485 U.S. 224 (1988). Such a presumption allows class representatives to avoid proving that each class member relied on the alleged material misrepresentations.

A presumption based on the fraud-on-the-market theory depends on the premise that the alleged material misrepresentations moved the market price for the security. Thus, when investors invoke that theory to support class actions brought under Rule 10b-5, the class certification decision rests on the validity of that premise. Evidence regarding whether the alleged misrepresentations actually moved the market – either at the time they were made or at the time of their alleged correction – is central to whether a fraud-on-the-market based reliance presumption should be applied.

Whether submitted by investors in an effort to show that a reliance presumption applies, or by defendants in an effort to rebut that presumption, nothing within Rule 23 or this Court's jurisprudence, including *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), precludes a trial court's consideration, at the class certification stage, of evidence regarding whether an alleged misrepresentation moved the market price. Such evidence is publicly available, and a claimed need for discovery cannot justify forcing defendants to wait until trial to submit evidence that, if sufficient to rebut the presumption, would mean that class certification was improper in the first instance.

The AICPA urges this Court not to impose a prohibition on defendants' ability to protect themselves by rebutting, at the class certification stage, a fraud-on-the-market based reliance presumption. Indeed, such a prohibition would be inconsistent with the recent revisions to Rule 23. Where defendants' evidence is not sufficient to rebut the presumption, class actions will continue to be certified. Where it is sufficient, however, defendants may be relieved of the unjustifiable costs and risks associated with an erroneous class certification decision.

ARGUMENT

I. When Investors Invoke The Fraud-On-The-Market Theory, They Inject A Merits-Related Issue Into The Class Certification Decision

This Court has held, and reaffirmed, that reliance is an element of a Rule 10b-5 claim. *Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008); *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 341-42 (2005); *Basic, Inc. v. Levinson*, 485 U.S. 224, 243 (1988). Tied to causation, the reliance element ensures that an investor cannot recover if he would have made the same investment decision with or without the alleged misrepresentation, *Stoneridge*, 522 U.S. at 159; *see also id.* at 160 ("[R]eliance is tied to causation, leading to the inquiry whether respondents' acts were immediate or remote to the injury."), or that the loss would have been incurred in spite of it.

But proving that each putative class member actually relied on an alleged misrepresentation would mean that "individual questions. . . would . . . overwhelm[] common

ones[,]" *Basic*, 485 U.S. at 242, rendering class actions in Rule 10b-5 cases virtually impossible. Thus, the Court's decision in *Basic* allows a district court to apply a rebuttable presumption of reliance, based on the fraud-on-the-market theory, to permit the investor to meet the predominance requirement of Rule 23(b)(3).

The presumption at issue in *Basic* depends on a hypothesized connection between a defendant's public statements and the price of a share of stock. The efficient market hypothesis – which underlies the fraud-on-the-market theory – posits that in open and developed securities markets, professional investors evaluate new information, and that if that information alters their perception of the value of the stock, their trading activity leads to changes in the market price. *West v. Prudential Secs., Inc.*, 282 F.3d 935, 937 (7th Cir. 2002). In short, the efficient market hypothesis predicts that the trading activity of professional investors leads to a market price for a security that reflects the value of a share of the defendant's stock. "An investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price. Because most publicly available information is reflected in market price, an investor's reliance on any public material misrepresentations, therefore, may be presumed for purposes of a Rule 10b-5 action." *Basic*, 485 U.S. at 247.[2]

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2. Since *Basic* was decided, numerous studies have reported evidence failing to support the efficient market hypothesis' predictions. *See, e.g.*, Frederick C. Dunbar & Dana Heller, *Fraud on the Market Meets Behavioral Finance*, 31 DEL. J. CORP. L. 455, 471 (2006) ("The growing academic literature documenting violations of the efficient market hypothesis, along with the accumulated research on 'irrationality' of some investors, should

The reliance presumption approved in *Basic* is based on three premises: (1) the market price of a share of stock has absorbed the alleged material misrepresentation; (2) investors relied on the market price in making their investment decisions; and (3) that reliance was reasonable. *Semerenko v. Cendant Corp.*, 223 F.3d 165, 178-79 (3d Cir. 2000). Thus, when an investor invokes the fraud-on-the-market theory in a Rule 10b-5 case, the issue of whether an alleged misrepresentation actually moved the market price is, under *Basic*, central to the class certification decision. The theory is based on the assumption that it did, and because it did, an investor who is assumed to rely on the market price can be said to have relied (indirectly) on the alleged misrepresentation.

The Court in *Basic* did not advocate a particular form of the fraud-on-the-market theory, and it did not describe the particular showings an investor would be required to make in order to gain the benefit of a reliance presumption

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prompt scholars, practitioners and regulators to examine the implications of these developments on securities law in general, and on the unchallenged applicability of fraud-on-the-market theory in particular."). In addition, Congress enacted the Private Securities Litigation Reform Act of 1995, Pub. L. 104-67, 109 Stat. 737, seeking, among other things, to limit frivolous securities claims. Some have argued that the Act's damages provisions show Congress' skepticism regarding that hypothesis as a descriptor of how securities markets actually operate. Jeffrey L. Oldham, *Comment: Taking "Efficient Markets" Out of the Fraud-On-The-Market Doctrine After The Private Securities Litigation Reform Act*," 97 Nw. U.L. Rev. 995, 1027-28 (2003). Although these developments could be used as reasons for moving away from *Basic*'s acceptance of the fraud-on-the-market theory as a vehicle for a reliance presumption, this brief proceeds under the current jurisprudence.

based on that theory. Instead, it only listed what the Court of Appeals for the Sixth Circuit had described as to what an investor would need to "plead and prove." 485 U.S. at 248 & n. 27. With no express statement as to what needed to be pleaded and proved for a fraud-on-the-market presumption to apply, lower courts have devised their own requirements. *See, e.g., In re Polymedica Corp.*, 432 F.3d 1, 12 (1st Cir. 2005) (noting that *Basic* provided no definition of an efficient market, leaving courts to define what was required); *Gariety v. Grant Thornton, LLP*, 368 F.3d 356, 368 (4th Cir. 2004) (same); *Abell v. Potomac Ins. Co.*, 858 F.2d 1104, 1120 (5th Cir. 1988), *vacated on other grounds sub. nom. Fryar v. Abell*, 492 U.S. 914 (1989) ("*Basic* essentially allows each of the circuits room to develop its own fraud-on-the-market rules.").

Increasingly, courts have shown a willingness to consider, at the class certification stage, whether it can be shown that an alleged misrepresentation actually moved the market price for a share of stock. *See, e.g., In re DVI Inc. Securities Litig.*, 2011 U.S. App. LEXIS 6302 (3d Cir. Mar. 29, 2011); *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474 (2d Cir. 2008); *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007); *In re Xcelera.com Securities Litig.*, 430 F.3d 503, 513 (1st Cir. 2005).[3] That this is an issue related to the

3. The Court of Appeals for the Third Circuit also requires that an investor relying on the efficient market hypothesis plead that the alleged false statement or omission moved the market price. *Oran v. Stafford*. 226 F.3d 275, 282 (3d Cir. 2000); *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1417 (3d Cir. 1997). That court has dismissed claims under Rule 12(b)(6) where an investor's allegations (and public information that could be judicially noticed) do not show that the market price changed "in

merits of an investor's claim has not been a deterrent for these courts. Nor should it be. The Court in *Basic*, for example, acknowledged that materiality – an element of a Rule 10b-5 claim – would be relevant to the class certification decision. 485 U.S. at 248 & n. 27 (noting that one of the Sixth Circuit's prerequisites was materiality). In *In re LTV Securities Litigation* (a case the Court cited favorably in *Basic*), Judge Higginbotham – then a district court judge – stated:

> Reliance is presumed once it is shown that a misrepresentation is material, or, what is substantially identical given the concept of materiality once it is established that the material misrepresentation affected the price of stock traded on the open market.

In re LTV Securities Litig., 88 F.R.D. 134, 142 (N.D. Tex. 1980) (emphasis added).

In sum, an investor who invokes the fraud-on-the-market theory injects a merits-related issue into the class certification decision. A fraud-on-the-market theory based reliance presumption depends on the premise that an alleged material misrepresentation moved the market price. That premise can be rebutted in various ways (*e.g.*, a showing of no price effect at the time of the allegedly false statement's publication or at the time it was allegedly

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the period immediately following disclosure." *Oran*, 226 F.3d at 282. *See, e.g., In re Merck & Co. Securities Litig.*, 432 F.3d 261 (3d Cir. 2005); *In re NAHC, Inc. Securities Litig.*, 306 F.3d 1314 (3d Cir. 2002). The disclosure in such cases is held to be immaterial as a matter of law. *See, e.g., In re Merck & Co. Securities Litig.*, 432 F.3d at 268-71.

corrected, a showing that the market is not efficient). There can be no dispute that whether that premise holds true in a particular case is now an issue the investor must prove to be successful in his Rule 10b-5 suit. At issue is whether courts are limited under *Basic* in deciding what evidence can be reviewed at the class certification stage to determine whether a reliance presumption will apply (and thus whether the predominance requirement has been met). Are they limited solely to a showing of an efficient market, or may they also consider evidence (*e.g.*, lack of materiality or loss causation) supporting a conclusion as to whether there was a change in market price associated with the alleged misrepresentation?

II. Courts Must Be Able To Consider At The Certification Stage Evidence Regarding The Alleged Misrepresentation's Effect On The Market Price

Neither Rule 23 nor *Eisen* precludes a court, in its effort to satisfy itself that the requirements for class certification have been met, from considering evidence going to the heart of the major premise underlying the reliance presumption described in *Basic*, *i.e.*, that an alleged material misrepresentation has changed the market price of the investor's shares. Although other indicators are available, these indicators are, at best, indirect evidence – *e.g.*, a showing that the market price generally moves up or down on the basis of other public disclosures, or that a sufficient number of "market makers" follow the stock. There is no reason to exclude from the certification analysis direct evidence regarding whether an alleged misrepresentation moved the market price.

A. Rebuttal Of The Reliance Presumption Removes The Basis For Class Certification

The Court in *Basic* made clear that defendants could rebut a fraud-on-the-market theory based reliance presumption with "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." 485 U.S. at 247-48. As the Court described, evidence related to materiality (whether an alleged misrepresentation moved the price at the time made) or to loss causation (whether an alleged correction moved the price) is among the evidence that would sever the tie between the alleged misrepresentation and the market price. *Basic*, 485 U.S. at 248-49.

A defendant's submission of reliable evidence supporting a conclusion that the alleged misrepresentation had no effect on market price would make the reliance presumption disappear, and would return the parties to the state that existed before the presumption was applied:

> In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of nonpersuasion, which remains throughout the trial upon the party on whom it was originally cast.

Fed. R. Evid. 301 (emphasis added). Rule 301 reflects the "bursting bubble" theory of presumptions because a

presumption does not shift the ultimate burden of proof. *St. Mary's Honor Ctr. v. Hicks*, 509 U.S. 502, 506-07 (1993); *Texas Dept. of Community Affairs v. Burdine*, 450 U.S. 248, 255 & n. 10 (1981); *Sheridan v. E.I. duPont de Nemours and Co.*, 100 F.3d 1061, 1080-81 (3d Cir. 1996) (*en banc*) (Alito, J., concurring in part and dissenting in part; describing that Congress rejected the Advisory Committee's proposal that the burden of persuasion shift to the party against whom the presumption operated).[4]

With a presumption in favor of the party having the ultimate burden of proof, if the other party produces evidence meeting or rebutting the presumption, the presumption disappears. *Sheridan*, 100 F.3d at 1079 (Alito, J.; "Under [the "bursting bubble"] theory, 'the only effect of a presumption is to shift the burden of producing evidence with regard to the presumed fact. If that evidence is produced by the adversary, the presumption is spent and disappears.' . . . The case then proceeds 'as though there had never been a presumption at all.'" (internal citations omitted)).

B. *Oscar*'s Requirement

In *Oscar*, Judge Higginbotham, writing for the Court of Appeals for the Fifth Circuit, required an investor asserting a Rule 10b-5 claim involving multiple simultaneous disclosures to produce evidence that the alleged misrepresentation actually "moved the market"

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4. *See also Nunley v. City of Los Angeles*, 52 F.3d 792, 796 (9th Cir. 1995); *McKenna v. Pacific Rail Serv.*, 32 F.3d 820, 829-30 (3d Cir. 1994); *A.C. Aukerman Co. v. R.L. Chaides Constr.*, 960 F.2d 1020, 1037-38 (Fed. Cir. 1992); *In re Yoder Co.*, 758 F.2d 1114, 1120 & n.13 (6th Cir. 1985); *Legille v. Dann*, 178 U.S. App. D.C. 78, 544 F.2d 1, 5-7 (D.C. Cir. 1976).

before it was given the benefit of a reliance presumption. *Oscar*, 487 F.3d at 265. As Judge Higginbotham explained, this did not lift the defendant's burden of rebuttal because "[a]s a matter of practice, the oft-chosen defensive move is to make '*any* showing that severs the link' between the misrepresentation and the plaintiff's loss; to do so rebuts on arrival the plaintiff's fraud-on-the-market theory." *Id.*

As both the district court and court of appeals in this case understood, *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co*, 597 F.3d 330, 335 (5th Cir. 2010); *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 2008 U.S. Dist. LEXIS 89598 (N.D. Tex. Nov. 4, 2008), at *13, *Oscar*'s requirement means that an investor could produce evidence showing either that the price moved as a result of the alleged misrepresentation (*e.g.*, to cause the price to be distorted as a result of a false statement), or that the price moved as a result of a correction of the alleged misrepresentation.[5] Thus, before being given the benefit of a fraud-on-the-market based reliance presumption, *Oscar* requires that the investor produce evidence showing that the alleged material misrepresentation changed the price of the purchased or sold security, as the fraud-on-the-market theory predicts.[6] Judge Higginbotham in *Oscar* also noted that consideration of the issue at class certification did not

5. In this case, the investor chose to submit the latter type of evidence. *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 2008 U.S. Dist. LEXIS 89598 (Nov. 4, 2008), at *13.

6. The Court of Appeals for the First Circuit's approach appears to permit (although it does not require) empirical evidence regarding the effect of the alleged misrepresentation on market price in the context of an investor's "efficient market" showing. *In re Xcelera.com Securities Litig.*, 430 F.3d at 513.

preclude its reconsideration later in the proceedings (*e.g.*, summary judgment). 487 F.3d at 269 n. 40; *see also Gariety*, 368 F.3d at 366 (concluding that determinations for purposes of class certification are not binding on the trier of fact).

C. Current Rule 23 Permits Consideration Of Evidence Regarding Whether An Alleged Misrepresentation Moved The Market Price

Before a trial court certifies a class, the court must be satisfied that each of Rule 23's requirements have been met. *General Tel. Co. v. Falcon*, 457 U.S. 147, 161 (1982). As a result, the court must conduct a "rigorous analysis" of the particular claims, defenses, and applicable law. *Falcon*, 457 U.S. at 161; *Castano v. Am. Tobacco Co.*, 84 F.3d 734, 744 (5th Cir. 1996). It cannot in all cases simply take the pleadings as true. *See, e.g.*, *Gariety*, 368 F.3d at 365; *Szabo v. Bridgeport Machs., Inc.*, 249 F.3d 672, 675-76 (7th Cir. 2001). Instead, it must address factual and legal disputes relevant to Rule 23's requirements and make findings, determinations, or rulings with respect to those disputes. *See, e.g.*, *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 319 (3d Cir. 2008) ("To summarize: because each requirement of Rule 23 must be met, a district court errs as a matter of law when it fails to resolve a genuine legal or factual dispute relevant to determining the requirements."); *In re Initial Pub. Offering Sec. Litig.* ["*In re IPO*"], 471 F.3d 24, 41 (2d Cir. 2006) ("[Class certification] determinations can be made only if the judge resolves factual disputes relevant to each Rule 23 requirement . . ."). This is true even if Rule 23 issues overlap with the merits of the plaintiff's claims.

Vallario v. Vandehey, 554 F.3d 1259, 1266-67 (10th Cir. 2009); *In re Polymedica Corp.*, 432 F.3d at 6.[7]

The 2003 amendments to Rule 23 greatly facilitated courts' agreement on the extent to which merits-related issues could be addressed when making the class certification decision. Among other changes, those amendments removed reference to "conditional" certification orders. No longer may courts grant orders on a tentative basis. *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d at 319-20 (quoting Committee Report of the Standing Committee on Rules of Practice and Procedures). Courts are now expressly advised to refuse certification until they satisfy themselves that the requirements of certification have been met. Advisory Comm. Notes on Fed. R. Civ. P. 23 (2003 amends.), 28 U.S.C. App., p. 144 (2006 ed.). They no longer need to make a certification decision "as soon as practicable;" a decision "at an early practicable time" is sufficient. Fed. R. Civ. P. 23(c)(1)(A). Trial courts may permit "controlled discovery into the 'merits'" to facilitate the class certification decision. Advisory Comm. Notes on Fed. R. Civ. P. 23 (2003 amends.), 28 U.S.C. App., p. 144. Such changes gave a trial court more freedom to conduct a rigorous inquiry

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7. *See also In re IPO*, 471 F.3d at 41; *Unger v. Amedisys Inc.*, 401 F.3d 316, 320-21 (5th Cir. 2005); *Gariety*, 368 F.3d at 365; *Newton v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 168 (3d Cir. 2001); *Szabo*, 249 F.3d at 676; *Love v. Turlington*, 733 F.2d 1562, 1564 (11th Cir. 1984); *Blackie v. Barrack*, 524 F.2d 891, 897 (9th Cir. 1975). As the Court has noted, overlap with merits-related issues is a normal situation when a plaintiff requests certification under Rule 23(b)(3). *Coopers & Lybrand v. Livesay*, 437 U.S. 463, 469 n. 12 (1978).

into whether the requirements of Rule 23 have been met. *In re IPO*, 471 F.3d at 39.

Nothing within the amended Rule 23 precludes consideration at the class certification stage of whether an alleged misrepresentation moved the market price. Nor does the pre-amendment *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974), impose a limitation. In fact, courts are virtually unanimous in concluding that *Eisen* does not preclude consideration of merits-related issues that are relevant to the class certification decision.[8]

This is because *Eisen* did not address whether a court could consider merits-related issues that were relevant to the class-certification decision. The district court in *Eisen* had concluded that the defendant should pay for notice to class members if the plaintiff could make a showing of a strong likelihood of success on the merits. 417 U.S. at 168. It conducted a preliminary hearing on the likelihood of success for this reason, and, concluding that the plaintiff was likely to prevail on his claims, imposed on the defendant the cost of notice. *Id.* Analyzing old Rule 23, this Court decided a very narrow issue, holding the district court had erred in evaluating the likelihood of success, and saying that "[n]othing in either the language or history of Rule 23 that gives a court any authority to conduct a preliminary inquiry into the merits of a suit

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8. *Dukes v. Wal-Mart Stores, Inc.*, 603 F.3d 571, 582 (9th Cir.), *petition for cert. granted in part*, 131 S. Ct. 795 (2010); *Shook v. Bd. of County Comm'rs*, 543 F.3d 597, 612 (10th Cir. 2008); *In re IPO*, 471 F.3d at 33; *Gariety*, 368 F.3d at 365-66; *Newton*, 259 F.3d at 166-67; *Szabo*, 249 F.3d at 677; *Waste Management Holdings, Inc. v. Mowbray*, 208 F.3d 288, 298 (1st Cir. 2000); *Castano*, 84 F.3d at 744.

in order to determine whether it may be maintained as a class action." *Id.* at 177. *Eisen*'s oft-quoted statement, therefore, was not a ruling as to whether a district court could address merits-related issues where those issues overlapped the requirements for class certification. *In re IPO*, 471 F.3d at 33.

Because an investor invoking the fraud-on-the-market theory to gain a reliance presumption depends on the premise that the alleged misrepresentations moved the market price, he makes that issue central to the class certification decision.

D. Trial Courts Must Be Allowed To Consider At The Certification Stage Evidence Regarding Whether An Alleged Misrepresentation Moved The Market Price

The Court in *Basic* noted that a defendant's showing that severed the link between the misrepresentation and price could be made at trial, "throughout which the District Court retains the authority to amend the certification order as may be appropriate. See Fed. Rule Civ. Proc. 23(c)(1) and (c)(4)." *Basic*, 485 U.S. at 249, n. 29. Any argument that consideration of such evidence must be deferred until trial has been vitiated given the fundamental changes to Rule 23(c)(1) that have been made since *Basic* was decided. Class certification decisions are no longer to be viewed as tentative, *see* 5 Moore's Federal Practice § 23.80[2] ("The 2003 amendment clarifies that courts should not grant certification except after searching inquiry, and that courts should not rely on later developments to determine whether certification is appropriate."), and the Rule now makes absolutely clear

that courts may address issues related to the merits in making their certification decisions.

The potential need for some limited discovery does not justify delaying consideration of evidence regarding whether an alleged misrepresentation moved the market price. Producing support for (or rebutting) the fraud-on-the-market theory's predictions regarding price effects typically relies on readily available data, with some of it, as the Court of Appeals for the Third Circuit has recognized, being subject to judicial notice. *In re NAHC, Inc. Securities Litig.*, 306 F.3d 1314, 1330-31 (3d Cir. 2002).[9] Even if discovery is necessary given the nature of the investor's claims, courts now have the ability to permit it to the extent necessary to reach a class certification decision. Advisory Comm. Notes on Fed. R. Civ. P. 23 (2003 amends.), 28 U.S.C. App., p. 144..

In short, there is no conceivable reason to preclude the parties from submitting, and trial courts from considering, evidence regarding whether the assumptions underlying a fraud-on-the-market theory based reliance presumption are valid with respect to the alleged misrepresentations. The Court of Appeals for the Fifth Circuit concluded that the class certification stage was a proper time for defendants to rebut a fraud-on-the-market based

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9. Given investors relying on the fraud-on-the-market theory must base their allegations on public statements, the Court of Appeals for the Third Circuit is not alone in using publicly available information to assess the investor's claims, even where that assessment occurs in the context of a motion to dismiss. *See, e.g., Lattanzio v. Deloitte*, 476 F.3d 147, 157-58 (2d Cir. 2007) (dismissing claims because allegations were insufficient to show loss causation in light of other defendant statements).

presumption, rejecting the argument that *Eisen* precluded consideration of that evidence. *Oscar*, 487 F.3d at 268, 270. The Courts of Appeals for the Second Circuit and for the Third Circuit agree that a defendant's rebuttal evidence is properly weighed at the class certification stage. *In re DVI Inc. Securities Litig.*, 2011 U.S. App. LEXIS 6302, at *36 (concluding that "rebuttal of the presumption of reliance falls within the ambit of issues that, if relevant, should be addressed by district courts at the class certification stage. "); *In re Salomon*, 544 F.3d at 485 ("[T]he [trial] court must permit defendants to present their rebuttal arguments 'before certifying a class . . . .'"). One difference between the Second Circuit's and Third Circuit's approach and that of the Fifth Circuit as currently applied appears to be that the latter requires investors to be first in producing price effect evidence. *In re DVI Inc. Securities Litig.*, 2011 U.S. App. LEXIS 6302, at *33-*37; *In re Salomon*, 544 F.3d at 486 n. 9.

Giving trial courts the ability to test the fraud-on-the-market theory's price predictions at the class certification stage allows them to satisfy themselves that the requirements for class certification have indeed been met. Even where a court initially looks to only indirect evidence of an effect on price for a reliance presumption to apply (*e.g.*, through a showing of "objective" materiality or that the market for the security at issue is, in general, efficient), a defendant must be allowed to submit rebuttal evidence, which may take the form of direct evidence of no price effect (either at the time of the alleged misrepresentation or at the time of the alleged correction). *See, e.g., In re American Int'l Group, Inc. Securities Litig.*, 265 F.R.D. 167, 182 (S.D.N.Y. 2010) (rejecting argument that rebuttal evidence was limited to a showing regarding the initial

misrepresentation and could not address the effects of a correction). If this evidence is reliable, the trial court must be allowed to refuse to certify a class because the presumption no longer applies, unless the investor can provide reasons for disregarding defendant's evidence or can come forth with additional support for a conclusion that the market price for the security reflected the alleged misrepresentation.

That it may sometimes be difficult to disentangle the effects of various forces affecting price from the effect of an alleged misstatement or its correction is also no reason to avoid the issue at the class certification stage. Because much of the evidence that would be presented relies largely on publicly available data, it is likely that such difficulties in proving price effects will be present both at the certification stage and at trial; additional discovery will not, in general, make disentangling the effects of multiple disclosures go away. Those difficulties, in short, are part and parcel of what an investor accepts when it decides to initiate a Rule 10b-5 class action and what a defendant accepts if it chooses to challenge the premise that an alleged misrepresentation changed the market price.

In sum, issues related to whether a central premise underlying a reliance presumption holds go hand in hand with an investor's invocation of the fraud-on-the-market theory. It makes no sense to limit the proofs that defendants may submit, or to limit a court's consideration of those proofs, simply because merits-related issues may be implicated. *Eisen* does not require this. Rule 23 now expressly permits it. Accepting investors' circumstantial evidence of an effect on market price (*e.g.* that the

market for a defendant's shares is generally efficient) and rejecting defendant's direct evidence that the alleged misrepresentation did not move that price, *e.g.*, *In re Boston Scientific Corp. Securities Litig.*, 604 F. Supp. 2d 275, 284-87 (D. Mass. 2009), means only that classes will be certified despite the fact that it cannot be assumed that investors, as a class, relied on the alleged misrepresentation.

E. The Fact That Price Effects Are Susceptible To Class-Wide Proof Is Irrelevant To The Class Certification Inquiry In A Fraud-on-the-Market Case

When an investor invokes the fraud-on-the-market theory to gain a presumption of reliance, the first question that must be addressed is whether that presumption is appropriately applied under the circumstances. The fact that an answer to that question may be supported or rebutted with class-wide evidence that addresses subsidiary class-wide issues does not mean common questions predominate for purposes of Rule 23(b)(3). The applicability of the presumption is the issue, not whether threshold facts can be proved with class-wide evidence.

For example, a number of courts require that investors show that the market for the security at issue is efficient before applying a reliance presumption, as Petitioner readily admits (Petitioner's Brief, pp. 35, 48). Whether the market for a security is efficient is a class-wide issue. That fact does not mean that an investor is entitled to class certification without satisfying the prerequisite. By the same token, the fact that the existence (or nonexistence) of a price effect associated with an alleged misrepresentation

– an issue that goes to the heart of a fraud-on-the-market based reliance presumption – is a "class-wide issue" that, virtually by definition, is provable on a class-wide basis does not mean that class certification is appropriate.

Unlike most other types of class actions, certification in Rule 10b-5 cases rests on a presumption. Class certification is therefore not simply a matter of looking at claims and possible defenses; applicability of the presumption is an issue that must be squarely addressed and decided. Applying a fraud-on-the-market based presumption is appropriate if its underlying premises are, more likely than not, valid in a particular case. If they are not valid, the reliance presumption should not be applied. Without the presumption, individual issues would predominate (each investor would have to be shown to have relied on the alleged misstatement), and the class should not be certified. Whether an alleged misrepresentation moved the market price is an issue that falls squarely within the assessment necessary to make sure that the requirements of Rule 23 have been met.

An argument based on the fact that effects on market price are susceptible to class wide proof might have some force if price effects were entirely irrelevant to the applicability of a fraud-on-the-market based reliance presumption. Some would undoubtedly prefer to view things in this manner, with reliance entirely eliminated as an element of a Rule 10b-5 claim. *See, e.g., Schleicher v. Wendt*, 618 F.3d 679, 682 (7th Cir. 2010) (asserting that the fraud-on-the-market doctrine "supplants 'reliance' as an independent element by establishing a more direct method of causation.") But this is not what the Court held.

The reasoning of a case like *Schleicher is* fundamentally at odds with *Basic*. This can be readily seen with the example of an alleged misrepresentation to which professional investors in an efficient market assign trivial, or no, importance. Such a misrepresentation would unlikely have any significant effect on market price, making it difficult to conceptualize how it could be said that, but for the alleged misrepresentation, the investor would not have entered into the transaction or that the statement caused the loss. Nonetheless, an advocate of the efficient market hypothesis would likely assert that the information has been absorbed into the market price; the information has merely been given a value of close to (or equal to) zero. Under this view, because the information is "in" the price, a class should be certified; the class would simply lose on the merits. *See Schleicher*, 618 F.3d at 685 ("It is possible to certify a class under Rule 23(b)(3) even though all statements turn out to have only trivial effects on stock prices. Certification is appropriate, but the class will lose on the merits.").

The Seventh Circuit's approach makes the reliance presumption irrebutable: any evidence regarding the absence of a price effect would go to the merits, not to rebutting the presumption. Therefore, a defendant would have no opportunity to "burst the bubble" of the presumption. It is no accident that *Schleicher*'s list of "contestable" elements in a Rule 10b-5 case involving a defendant whose shares are traded in an efficient market does not include reliance. 618 F.3d at 682 ("When a company's stock trades in a large and efficient market, the contestable elements of the Rule 10b-5 claim reduce to false-hood, scienter, materiality, and loss.").

Under the Seventh Circuit's approach, a class should be certified solely on a showing of an efficient market. Even requiring a showing of materiality to gain the benefit of the presumption is – despite *Basic*'s express reference to the Sixth Circuit's use of that prerequisite – a "misreading of *Basic*." 618 F.3d at 687. And thus evidence demonstrating that the alleged misrepresentations had no effect on market price may only be submitted at trial because that evidence goes solely to the merits of the plaintiff's claims (*e.g.*, either materiality or loss). The patient defendant who is subject to this regime goes through the entire litigation process before he gains a judgment that is adverse to every member of the class. The implications of the fact that it will be clear at that point that the class should never have been certified are not considered.

Of course, not every defendant is willing to accept the risks associated with taking a case to its conclusion and most cannot afford to do so from an economic or reputational perspective. Thus, many (perhaps most) are sufficiently risk-adverse that they settle to avoid it. As the Fifth Circuit has noted:

> [C]lass certification creates insurmountable pressure on defendants to settle, whereas individual trials would not. . . . The risk of facing an all-or-nothing verdict presents too high a risk, even when the probability of an adverse judgment is low.

Castano, 84 F.3d at 746 (citation omitted); *see also* Janet Cooper Alexander, *Re-thinking Damages in Securities Class Actions*, 48 STAN. L. REV. 1487, 1511 (1996) ("The

class-based compensatory damages regime in theory imposes remedies that are so catastrophically large that defendants are unwilling to go to trial even if they believe the chance of being found liable is small."). In this respect, class certification grants plaintiffs with weak cases a bargaining chip to extract from defendants (and current shareholders) more than the plaintiffs' claims are truly worth. Professionals, whose reputations are affected, are particularly vulnerable.

The *in terrorem* effect of the class certification decision is widely recognized. *See, e.g., Coopers & Lybrand v. Livesay*, 437 U.S. 463, 476, 98 S. Ct. 2454, 57 L. Ed. 2d 351 (1978); *West*, 282 F.3d at 937; *Castano*, 84 F.3d at 746; *In re Rhone-Poulenc Rorer, Inc.*, 51 F.3d 1293, 1299 (7th Cir. 1995). It is one reason for permitting such decisions to be reviewed on appeal prior to issuance of a final judgment in the case. Advisory Comm. Notes on Fed. R. Civ. P. 23 (1998 amends.), 28 U.S.C. App., p. 143; *see Szabo*, 249 F.3d at 675 (noting that the class certification decision at issue turned a $ 200,000 dispute into a $ 200 million dispute, making it "a prime occasion for the use of Rule 23(f), . . . "); *Newton v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 162 (3d Cir. 2001).

Moreover, the certification of a class action makes the evaluation of the litigation contingency in financial accounting particularly difficult, because of the possible range of results. An erroneous determination based solely on the presumption could very well adversely affect the quality of financial reporting.

Nothing supports such results. *Cf. Basic*, 485 U.S. at 252 (White, J., joined by O'Connor, J., concurring in part

and dissenting in part) ("[A]llowing recovery in the face of affirmative evidence of nonreliance--would effectively convert Rule 10b-5 into a scheme of investor's insurance. There is no support in the Securities Exchange Act, the Rule, or our cases for such a result." (internal quotation marks and citations omitted)). The AICPA urges the Court to reject arguments seeking such an outcome.

A better approach would be to allow defendants to attempt to rebut the presumption at the class action certification hearing by considering any evidence that severs the connection between the alleged misrepresentation and the stock price. A successful rebuttal would destroy the reliance commonality embedded in the presumption, and it would then be incumbent on the plaintiffs to prove, by a preponderance of the evidence, that the necessary connection between the alleged misrepresentation and the stock price exists. Failure to do so would necessarily mean that individual issues predominate and that a class should not be certified.

III. The Judgment In This Case

Because *Basic* did not identify a set of requirements for a fraud-on-the-market based reliance presumption to apply, it is not inconsistent with *Basic* for the Fifth Circuit to include in a set of prerequisites a preliminary showing of an effect of an alleged misrepresentation on the market price of the security at issue. The Fifth Circuit's approach also does not conflict with Rule 23 or with *Eisen*, as neither precludes consideration of merits-related issues relevant to the class certification decision. Whether an alleged misrepresentation moved the market is relevant to that decision because the Fund invoked the fraud-on-the-market theory.

Even if *Basic* required that Halliburton be first in putting forth evidence regarding whether an alleged misrepresentation moved the market price, this does not require that the Fifth Circuit's decision in this case be vacated and the case remanded. Petitioners do not assert that Halliburton's evidence could not burst the bubble of the reliance presumption, and the panel in this case affirmed the denial of class certification on the basis of a finding that the Fund's evidence did not show that the alleged misrepresentations affected the market price of Halliburton's stock.

CONCLUSION

For the above reasons, the AICPA asks that the Court affirm the judgment below.

Respectfully submitted,

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AMICUS CURIAE BRIEF

No. 09-1403

In The
Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO., ET AL.,

Respondents.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Fifth Circuit

BRIEF FOR THE AMERICAN INSURANCE ASSOCIATION, AXIS INSURANCE COMPANY, CONTINENTAL CASUALTY COMPANY, AND HCC GLOBAL FINANCIAL PRODUCTS AS AMICI CURIAE SUPPORTING AFFIRMANCE

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QUESTION ADDRESSED BY *AMICI CURIAE*

Whether a district court must resolve disputes regarding the applicability of the fraud-on-the-market presumption at the class-certification stage.

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BRIEF FOR THE AMERICAN INSURANCE ASSOCIATION, AXIS INSURANCE COMPANY, CONTINENTAL CASUALTY COMPANY, AND HCC GLOBAL FINANCIAL PRODUCTS AS AMICI CURIAE SUPPORTING AFFIRMANCE

INTEREST OF AMICI CURIAE*

The American Insurance Association ("AIA") is the leading property-casualty insurance trade organization, representing approximately 300 insurers that write nearly $100 billion in premiums each year for virtually all types of property-casualty insurance. On issues of importance to the insurance industry and marketplace, AIA advocates sound public policies in legislative, regulatory, and judicial forums at the state and federal levels. AIA members are often involved in class-action litigation, both as litigants and as insurers of litigants, and have a great interest in the correct development of the law concerning class certification. AIA has therefore participated as *amicus curiae* in several recent cases on related issues, including *Stoneridge Investment Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008), and

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* Pursuant to this Court's Rule 37.6, counsel for *amici* represents that no counsel for a party authored this brief in whole or in part, and that no person other than *amici* and their members made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to this Court's Rule 37.3, counsel for *amici* represents that all parties have filed letters with the Clerk giving blanket consent to the filing of *amicus* briefs.

Shady Grove Orthopedic Associates, P.A. v. *Allstate Insurance Co.*, 130 S. Ct. 1431 (2010).

Axis Insurance Company, and its affiliate Axis Reinsurance Company, are leading providers of specialty lines insurance in the United States. Axis has become a significant issuer of directors and officers liability insurance to public companies and is involved in numerous securities class actions throughout the United States. As such, Axis has a great interest in the correct development of the law concerning class certification in cases that implicate fiduciary duty liability.

Continental Casualty Company is one of the largest commercial and property and casualty insurers in the nation. Continental specializes in underwriting of business risks in a broad range of industries. Continental was a respondent in *Ortiz* v. *Fibreboard Corp.*, 527 U.S. 815 (1999), and has a continued interest in the correct development of the law concerning class certification.

HCC Global Financial Products is a wholly owned subsidiary of HCC Insurance Holdings Inc., one of the world's largest and most established specialty insurance groups, with offices in the United States, the United Kingdom, Spain, and Ireland. As a leading issuer of directors and officers liability insurance policies to public companies, HCC is involved in securities class actions across the United States. HCC therefore has a great interest in the correct development of the law concerning class-action litigation and the securities laws in the United States.

STATEMENT

This is a private securities-fraud case that raises significant and far-reaching issues under Federal Rule of Civil Procedure 23, which could affect *all* class actions in federal court.

The second question presented by petitioner is whether, in determining at the class-certification stage if plaintiffs had properly "invoke[d] the fraud-on-the-market presumption," the lower courts "improperly considered the merits of the underlying litigation, in violation of both *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156 (1974), and Federal Rule of Civil Procedure 23." Pet. Br. i. This question, involving the interplay between the findings required by Rule 23 and the "merits" of a lawsuit, receives scant discussion in petitioner's brief (*see id.* at 46–51), somewhat more attention in the Solicitor General's brief, and none at all in the other *amicus* briefs advocating reversal. Yet the Court's answer to it could have a wide-ranging impact on future class actions, in both securities cases and others. This brief therefore focuses on that question.

Petitioner—an investor in Halliburton's common stock—alleges that Halliburton made false statements about its business and that stockholders lost money when Halliburton subsequently corrected those statements. Petitioner sought certification of "a class of all persons and entities who purchased or acquired common stock of Halliburton during the class period." Pet. Br. 14.

The district court rejected petitioner's class-certification bid on the ground that petitioner could not establish entitlement to the "fraud on the market" presumption that this Court recognized in *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), which enables

a securities plaintiff to establish the "reliance" element of its claim without proving individual investors' actual reliance on the allegedly fraudulent statements. *Id.* at 242–50. In making this determination, the district court considered *all* of the evidence tendered by the parties—both petitioner's argument in support of the presumption and Halliburton's rebuttal arguments. *See* Pet. App. 11a–54a. The Fifth Circuit affirmed. *See id.* at 111a–136a.

SUMMARY OF ARGUMENT

The decision below, affirming the district court's resolution of the applicability of the fraud-on-the-market presumption at the class-certification stage, is correct and fully in accord with this Court's precedents.

I. A class action "may only be certified if the trial court is satisfied, after a *rigorous analysis*," that the plaintiff can meet the certification requirements set forth in Rule 23. *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 161 (1982) (emphasis added). Plaintiffs seeking class certification must do more than simply allege that they have met the requirements of Rule 23; they must establish that those requirements have actually been met. As pertinent here, the district court must "find[] that the questions of law or fact common to class members *predominate* over any questions affecting only individual members." Fed. R. Civ. P. 23(b)(3) (emphasis added). Courts must address these issues as part of the Rule 23 analysis even if there is some overlap with the merits of the case. *See Coopers & Lybrand* v. *Livesay*, 437 U.S. 463, 469 & n.12 (1978).

II. Reliance is an essential element of a securities fraud claim. *Dura Pharm., Inc.* v. *Broudo*, 544 U.S. 336, 341–42 (2005). Where each individual member

of a proposed class seeking damages arising from an alleged securities fraud (or some other cause) must demonstrate reliance with individualized proof that they relied on the defendant's statements, class certification is not appropriate under Rule 23 because individual issues will "predominate" over common issues. Fed. R. Civ. P. 23(b)(3). Accordingly, the "fraud on the market" presumption is the key to class certification for securities plaintiffs. *See Basic Inc.* v. *Levinson*, 485 U.S. 224, 242–50 (1988).

Nothing about Section 10(b) or the fraud-on-the-market presumption alters the class-certification framework or the district court's mandate at the class-certification stage. The district court in a Section 10(b) case must determine if the fraud-on-the-market presumption is available at the class-certification stage. The procedure for resolving that "reliance" issue in a Section 10(b) case is no different than in any other case: As every court of appeals has held, the district court can consider "merits" evidence—including the plaintiff's evidence and the defendant's rebuttal evidence—to resolve that question. *See, e.g.*, *In re IPO Sec. Litig.*, 471 F.3d 24, 41–43 (2d Cir. 2006).

As both petitioner and the United States acknowledge, the applicability of the fraud-on-the-market presumption is a necessary precondition to certification of a securities fraud claim, because in the absence of the presumption individualized questions of reliance will "predominate" over any common issues in the case. Pet. Br. 48 & n.15; U.S. Br. 11.

Petitioner and the United States insist, however, that the district court may not consider evidence rebutting the fraud-on-the-market presumption until the case proceeds to summary judgment or trial.

Pet. Br. 35; U.S. Br. 17–19. That is manifestly wrong. A district court must weigh *both* sides' evidence and make factual findings on the Rule 23 factors *before* certifying a class. *See, e.g.*, *Falcon*, 457 U.S. at 160–61; *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 307, 320 (3d Cir. 2009) (amended opinion). In particular, a district court "must permit defendants to present their rebuttal arguments [regarding the fraud-on-the-market presumption] before certifying a class." *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 485 (2d Cir. 2008) (internal quotation marks omitted); *see also In re DVI, Inc. Sec. Litig.*, No. 08-8033 (3d Cir. Mar. 29, 2011), slip op. at 31–32. Because that is what the courts below did in this case, the judgment of the court of appeals should be affirmed.

ARGUMENT

Reliance is an essential element of a claim for securities fraud. *Matrixx Initiatives, Inc.* v. *Siracusano*, No. 09-1156 (U.S. Mar. 22, 2011), slip op. at 9 (citing *Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 157 (2008)). Such a claim usually cannot proceed as a class action without the "fraud on the market" presumption of reliance, because in the absence of that presumption individuated issues of reliance will "predominate" over the common issues in the case. Fed. R. Civ. P. 23(b)(3); *Basic Inc.* v. *Levinson*, 485 U.S. 224, 242 (1988). Therefore, the plaintiff in such a case must establish its entitlement to the *Basic* presumption at the class-certification stage, and the district court must also resolve at that stage any challenges to the applicability of the presumption put forward by the defendant.

I. DISTRICT COURTS MUST CONDUCT A "RIGOROUS ANALYSIS" OF CLASS-CERTIFICATION REQUIREMENTS

1. Petitioner acknowledges that "[t]rial courts must make a rigorous determination of whether the [Rule] 23 prerequisites are satisfied." Pet. Br. 48. The United States, likewise, recognizes that the class-certification procedure may "'involve[] considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action,'" and "may require analysis of the elements of the plaintiff's claims and the manner in which those elements would ordinarily be proved." U.S. Br. 23 (alteration in original) (quoting *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 160 (1982)).

This point is not contested because this Court has clearly held that a class action "may only be certified if the trial court is satisfied, after a *rigorous analysis*, that the prerequisites of Rule 23(a) have been satisfied." *Falcon*, 457 U.S. at 161 (emphasis added); *see also Coopers & Lybrand* v. *Livesay*, 437 U.S. 463, 469 (1978) ("the class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action") (internal quotation marks omitted). "[A]ctual, not presumed, conformance with Rule 23(a) remains ... indispensable" (*Falcon*, 457 U.S. at 160), and courts must therefore take a "close look" at the evidence and legal arguments presented before certifying a class. *Amchem Prods., Inc.* v. *Windsor*, 521 U.S. 591, 615 (1997). This includes the predominance requirement of Rule 23(b)(3), which this Court has described as a "vital prescription." *Id.* at 623.

A plaintiff seeking certification of a class is thus required to do more than just *allege* the facts neces-

sary to satisfy Rule 23 or put forth "some evidence" that the Rule's requirements have been met. *See In re IPO Sec. Litig.*, 471 F.3d 24, 33, 42 (2d Cir. 2006) (rejecting "some showing" burden of proof); *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 316 (3d Cir. 2009) (amended opinion) ("the requirements set out in Rule 23 are not mere pleading rules"); *see also* 5 James Wm. Moore et al., Moore's Federal Practice § 23.61 (3d ed. 2008) ("Pleading requirements are distinct from the requirements for certifying a case as a class action"). At class certification, "[t]ough questions must be faced and squarely decided, if necessary by holding evidentiary hearings and choosing between competing perspectives." *West* v. *Prudential Sec., Inc.*, 282 F.3d 935, 938 (7th Cir. 2002). In other words, a plaintiff must *establish* that the Rule 23 requirements are "actual[ly]" satisfied. *Falcon*, 457 U.S. at 160.

The 2003 amendments to Rule 23 further clarified the scope of review required at the class-certification stage. The amendments removed from Rule 23(c)(1)(C) the provision that class certification "may be conditional," because "[a] court that is not satisfied that the requirements of Rule 23 have been met should refuse certification until they have been met." Fed. R. Civ. P. 23(c)(1)(C) advisory committee's note (2003). And where Rule 23(c)(1)(A) previously stated that class certification should be decided "as soon as practicable," it now only requires that the certification decision be made "at an early practicable time." "Allowing time for limited discovery supporting certification motions may ... be necessary for sound judicial administration." *Hydrogen Peroxide*, 552 F.3d at 319 (internal quotation marks omitted). Taken together, these amendments "combine to permit a more extensive inquiry into whether Rule 23 re-

quirements are met than was previously appropriate." *IPO*, 471 F.3d at 39; *see also Hydrogen Peroxide*, 552 F.3d at 318–19.

Before the 2003 amendments, some courts shied away from a full and rigorous review of the law and evidence at class certification, invoking this Court's statement that "nothing in either the language or history of Rule 23 ... gives a court any authority to conduct a preliminary inquiry into the merits of a suit in order to determine whether it may be maintained as a class action." *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156, 177 (1974); *see, e.g.*, *In re Visa Check/MasterMoney Antitrust Litig.*, 280 F.3d 124, 134–35 (2d Cir. 2001); *Caridad* v. *Metro-N. Commuter R.R.*, 191 F.3d 283, 292 (2d Cir. 1999).

As petitioner concedes, however, this was a misreading of *Eisen* that has subsequently been corrected in the lower courts. Pet. Br. 47 ("While *Eisen* was initially construed as a blanket prohibition against consideration of the merits of the underlying claims at class certification, courts have since interpreted *Eisen* to prohibit examination of the merits except insofar as necessary to determine whether the Rule 23 prerequisites have been met") (citing *IPO*, 471 F.3d at 41); *see also Hydrogen Peroxide*, 552 F.3d at 316–17; *In re Polymedica Corp. Sec. Litig.*, 432 F.3d 1, 6 (1st Cir. 2005); *Unger* v. *Amedisys, Inc.*, 401 F.3d 316, 320–21 (5th Cir. 2005); *Gariety* v. *Grant Thornton, LLP*, 368 F.3d 356, 366 (4th Cir. 2004); Manual for Complex Litigation (Fourth) § 21.14 (2004) ("A preliminary inquiry into the merits may be required to decide whether the claims and defenses can be presented and resolved on a class-wide basis").

The district court in *Eisen* had ordered the defendants to pay 90 percent of the cost of notice to the class based on its determination that plaintiffs were likely to succeed on the merits of their claim. 417 U.S. at 168. This Court held that Rule 23 does not authorize shifting the cost of notice from the plaintiff to the defendant (*id.* at 177), and in that context rejected the district court's "preliminary inquiry into the merits" because it would allow a class representative to adjudicate the merits of the case "without any assurance that a class action may be maintained." *Id.* at 177–78. The Court concluded that "[i]n determining the propriety of a class action, the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met." *Id.* at 178 (internal quotation marks omitted).

In *Eisen*, therefore, the district court "assessed the merits to decide the *collateral* issue of who should pay for the notice." *IPO*, 471 F.3d at 34 (emphasis added). Nothing in *Eisen* suggests that a district court can avoid deciding an issue *central to* the Rule 23 requirements because that issue also relates to the merits of the case. And this Court's decisions since *Eisen* recognize that "the class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action," and "it may be necessary for the court to probe behind the pleadings before coming to rest on the certification question." *Falcon*, 457 U.S. at 160 (internal quotation marks omitted); *see also Coopers & Lybrand*, 437 U.S. at 469 & n.12 ("Evaluation of many of the questions entering into determination of class action questions is intimately involved with the merits of the claims") (internal

quotation marks omitted); Fed. R. Civ. P. 23(c)(1)(A) advisory committee's note (2003) ("Although an evaluation of the probable outcome on the merits is not properly part of the certification decision, ... it is appropriate to conduct controlled discovery into the 'merits,' limited to those aspects relevant to making the certification decision on an informed basis").

Neither petitioner nor the United States takes issue with the unbroken line of post-2003 appellate decisions rejecting a reading of *Eisen* that limits district courts' review of the Rule 23 requirements at class certification. On the contrary, they both cite these cases with approval as correctly stating the applicable legal rules. *See* Pet. Br. 47–48 (citing *IPO*, 471 F.3d at 41, and *Hydrogen Peroxide*, 552 F.3d at 311–12); U.S. Br. 23–24 (ditto). It is therefore undisputed that district courts have not just the authority but the obligation to resolve disputes that go to the Rule 23 requirements, even if they overlap with the "merits" of the dispute. *See, e.g.*, *IPO*, 471 F.3d at 41 ("the obligation" to determine if Rule 23 is satisfied "is not lessened by overlap between a Rule 23 requirement and a merits issue, even a merits issue that is *identical* with a Rule 23 requirement") (emphasis added).

2. Where necessary to fully analyze the Rule 23 requirements, district courts must weigh the evidence presented by the parties and make factual findings regarding the evidence that is "enmeshed" with the class-certification analysis. *Falcon*, 457 U.S. at 160 (internal quotation marks omitted). "Class certification requires a *finding* that each of the requirements of Rule 23 has been met." *Hydrogen Peroxide*, 552 F.3d at 320 (emphasis added); *see also, e.g.*, *Blades* v. *Monsanto Co.*, 400 F.3d 562, 575 (8th Cir. 2005).

If expert evidence is submitted at class certification—for example, an event study analyzing stock price movements—that evidence must meet the standards for admissibility of expert testimony set forth in *Daubert* v. *Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993). *See Am. Honda Motor Co.* v. *Allen*, 600 F.3d 813, 815–16 (7th Cir. 2010) (per curiam); *Hydrogen Peroxide*, 552 F.3d at 315 n.13; *Unger*, 401 F.3d at 323 n.6. And a court must also analyze whether the expert evidence suffices to meet the plaintiff's burden of satisfying Rule 23. *See Hydrogen Peroxide*, 552 F.3d at 323–24. Certifying a class without exercising such scrutiny would "amount[] to a delegation of judicial power to the plaintiffs, who can obtain class certification just by hiring a competent expert." *West*, 282 F.3d at 938; *see also McLaughlin* v. *Am. Tobacco Co.*, 522 F.3d 215, 232 (2d Cir. 2008); *IPO*, 471 F.3d at 42; *Gariety*, 368 F.3d at 366–67.

According to petitioner, some discovery might be required to enable the parties to litigate, and the courts to resolve, the Rule 23 prerequisites. Pet. Br. 52. And the United States argues that requiring proof at class certification "requires plaintiffs to prove an essential element of their case before they have had an adequate opportunity to adduce the evidence required for such a showing." U.S. Br. 26. But Rule 23 *specifically contemplates* pre-merits discovery, and was amended in 2003 to allow even more time before certification in order for the parties to develop the record. *See* Fed. R. Civ. P. 23(c)(1) advisory committee's note (2003) (pre-certification discovery required "to identify the nature of the issues that actually will be presented at trial" in order for the judge to "mak[e] the certification decision on an informed basis").

Discovery may therefore be proper "to illuminate issues bearing on certification, including the nature of the issues that will be tried; whether the evidence on the merits is common to the members of the proposed class; whether the issues are susceptible to class-wide proof; and what trial-management problems the case will present." Summary of the Report of the Judicial Conference Committee on Rules of Practice and Procedure at 4 (2002); *see also* Manual for Complex Litigation (Fourth) § 21.14 (2004) ("discovery may be necessary ... when the facts relevant to any of the certification requirements are disputed, or when the opposing party contends that proof of the claims or defenses unavoidably raises individual issues") (citations omitted). There is no basis for arguing that it is difficult or infeasible for plaintiffs to develop the evidence necessary to establish the Rule 23 requirements when the Rule specifically allows them to do so.

3. Every court of appeals to have considered the issue has concluded that the plaintiff bears the burden of proving the Rule 23 prerequisites by a preponderance of the evidence. *Hydrogen Peroxide*, 552 F.3d at 320; *Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier, Inc.*, 546 F.3d 196, 202 (2d Cir. 2008); *see also Alaska Elec. Pension Fund* v. *Flowserve Corp.*, 572 F.3d 221, 228 (5th Cir. 2009) (per curiam). These decisions correctly state the applicable standard of proof.

The government does not take issue with this unanimity in the lower courts on the preponderance standard. U.S. Br. 10 n.1 ("The courts that have addressed the question have held that facts relevant to whether the Rule 23 requirements have been met must be established by a preponderance of the evidence"). Petitioner does not even mention the appro-

priate standard, thus conceding that preponderance of the evidence—as articulated in cases such as *Hydrogen Peroxide*, with which petitioner expresses agreement—is the correct standard.

Preponderance of the evidence is the default standard in civil cases, as it "allows both parties to 'share the risk of error in roughly equal fashion.'" *Herman & MacLean* v. *Huddleston*, 459 U.S. 375, 390 (1983) (quoting *Addington* v. *Texas*, 441 U.S. 418, 423 (1979)). Departures from the preponderance standard usually involve the application of a *higher* standard of proof where "particularly important individual interests or rights are at stake." *Id.* at 389.

There is no basis for adopting a *lesser* burden of proof for the Rule 23 prerequisites at class certification. Rule 23's requirements are more than "mere pleading rules" (*Hydrogen Peroxide*, 552 F.3d at 316), and thus require a standard more stringent than "plausibility." *Ashcroft* v. *Iqbal*, 129 S. Ct. 1937, 1949–50 (2009); *Bell Atl. Corp.* v. *Twombly*, 550 U.S. 544, 555–57 (2007). This Court's statements that a district court must "rigorous[ly]" analyze (*Falcon*, 457 U.S. at 161), and take a "close look" (*Amchem*, 521 U.S. at 615), at whether Rule 23 is satisfied are plainly incompatible with imposing a minimal burden on plaintiffs seeking class certification. And the important interests of the absent class members (*see Amchem*, 521 U.S. at 629) preclude any ratcheting down of the standard of proof from the baseline "preponderance" standard.

The United States argues that analyzing the substantive issues in the case at class certification under the preponderance standard "shoehorn[s] a motion-to-dismiss inquiry into the class-certification analy-

sis," which it suggests "usurp[s] the role of juries" in resolving substantive legal issues. U.S. Br. 26–27. But that argument proves too much: Pretrial motions *always* entail judicial resolution of issues that might otherwise be submitted to a jury, and if such motions are authorized by law there is no "usurpation" (and no Seventh Amendment concern). *Tellabs, Inc.* v. *Makor Issues & Rights, Ltd.*, 551 U.S. 308, 326–27 (2007) (internal quotation marks omitted). In any event, the leading decisions indicate that judicial determinations made at the class-certification stage are not binding on later proceedings in the case. *See, e.g.*, *Hydrogen Peroxide*, 552 F.3d at 318; *IPO*, 471 F.3d at 41.

4. These foregoing principles of class-certification law are critical to ensuring that class-wide adjudication "leaves the parties' legal rights and duties intact and the rules of decision unchanged." *Shady Grove Orthopedic Assocs., P.A.* v. *Allstate Ins. Co.*, 130 S. Ct. 1431, 1443 (2010) (plurality). Class actions depart from the general rule that litigation is conducted only by the named parties and binds only them. *See Ortiz* v. *Fibreboard Corp.*, 527 U.S. 815, 846 (1999); *Califano* v. *Yamasaki*, 442 U.S. 682, 700–01 (1979). And while class actions may in some cases promote efficiency, they must also be fair to absent class members (*see, e.g.*, *Phillips Petroleum Co.* v. *Shutts*, 472 U.S. 797, 811–12 (1985)), as well as defendants. *See Coopers & Lybrand*, 437 U.S. at 476.

A class representative can lose just as easily as it can win. *See Falcon*, 457 U.S. at 161 (courts cannot assume that "all will be well for surely the plaintiff will win and manna will fall on all members of the class") (citation and internal quotation marks omitted); *Schleicher* v. *Wendt*, 618 F.3d 679, 685 (7th Cir.

2010) (even when "[c]ertification is appropriate" a class can "lose on the merits"). And when the named plaintiff loses, so does the certified class, which is bound by the judgment. *See Cooper* v. *Fed. Reserve Bank of Richmond*, 467 U.S. 867, 874 (1984). The class-certification inquiry must therefore ensure that, should such a judgment issue, absent class members are sufficiently protected. *See Taylor* v. *Sturgell*, 553 U.S. 880, 900–01 (2008); *Amchem*, 521 U.S. at 621–22, 629. Rule 23(b)(3)'s predominance requirement, in particular, has been deemed a "vital prescription" by the Court. *Amchem*, 521 U.S. at 623. And rigorous analysis is needed to ensure that those who aspire to bind others to a judgment do so in a way that is fair to those being bound.

A court must also be mindful that "[c]ertification of a large class may so increase the defendant's potential damages liability and litigation costs that he may find it economically prudent to settle and to abandon a meritorious defense." *Coopers & Lybrand*, 437 U.S. at 476; *see also, e.g.*, *Hydrogen Peroxide*, 552 F.3d at 310; *Newton* v. *Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 162, 167–68 & n.8 (3d Cir. 2001); *Castano* v. *Am. Tobacco Co.*, 84 F.3d 734, 746 (5th Cir. 1996); *In re Rhone-Poulenc Rorer, Inc.*, 51 F.3d 1293, 1298 (7th Cir. 1995). As the Seventh Circuit put it, "class certification turns a $200,000 dispute ... into a $200 million dispute[,]" which "puts a bet-your-company decision to [a defendant] and may induce a substantial settlement even if the [plaintiff's] position is weak." *Szabo* v. *Bridgeport Machs., Inc.*, 249 F.3d 672, 675 (7th Cir. 2001); *see also CE Design Ltd.* v. *King Architectural Metals, Inc.*, No. 10-8050 (7th Cir. Mar. 18, 2011), slip. op. at 2 (Posner, J.) ("Certification as a class action can coerce a defendant into settling on highly disadvanta-

geous terms regardless of the merits of the suit"). While this pressure alone might not be a reason to deny certification (*see Rhone-Poulenc*, 51 F.3d at 1299), it warrants careful attention in the class-certification analysis. *See, e.g., Newton*, 259 F.3d at 192 ("class certification would place hydraulic pressure on defendants to settle which weighs in the superiority analysis [under Rule 23(b)(3)]").

This is particularly true in the context of securities class actions using the fraud-on-the-market presumption, which already "reallocates the risks of mistaken adjudications" in a plaintiff's favor. *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 483 (2d Cir. 2008) (internal quotation marks omitted). We turn now to that particular implementation of this Court's rigorous analysis mandate.

II. The Applicability of the Fraud-on-the-Market Presumption Is a Class-Certification Requirement

1. In a private federal securities action, a plaintiff must show, among other things, that it *relied* on a material misstatement made by the defendant. *See Dura Pharm., Inc. v. Broudo*, 544 U.S. 336, 341 (2005); *Basic*, 485 U.S. at 243. "Reliance provides the requisite causal connection between a defendant's misrepresentation and a plaintiff's injury." *Basic*, 485 U.S. at 243. But the need to satisfy reliance in a securities action would ordinarily preclude class treatment, "since individual issues would ... overwhelm[] the common ones." *Id.* at 242.

This Court's 4-2 decision in *Basic*, however, recognized the "fraud on the market" presumption, which creates a rebuttable presumption of class-wide reliance if a material public misstatement is made about a security that trades in a well-developed, effi-

cient market. *See* 485 U.S. at 247–48; *see also, e.g.*, *Salomon*, 544 F.3d at 483. The presumption rests on the economic theory that, in an efficient securities market, the price of a security will reflect publicly available information about that security, including statements made by the issuing company, and thus, one who buys at the market price will have indirectly relied on that publicly available information. *See Basic*, 485 U.S. at 241–42, 246–47; *see also Stoneridge*, 552 U.S. at 159.

The fraud-on-the-market *presumption* is meant "to assist courts in managing circumstances in which direct proof, for one reason or another, is rendered difficult." *Basic*, 485 U.S. at 245. But if the presumption cannot be established, then reliance cannot be proved in the aggregate and the class may not be certified because individual questions will predominate. *See id.* at 242; *IPO*, 471 F.3d at 43 ("Without the *Basic* presumption, individual questions of reliance would predominate over common questions"); *see also Salomon*, 544 F.3d at 485; *Gariety*, 368 F.3d at 362–64. Petitioner acknowledges as much. *See* Pet. Br. 48 ("determining whether plaintiffs have met the requirements for invoking the presumption ... is crucial to showing [that] common issues predominate").

The fraud-on-the-market presumption is rebuttable on "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Basic*, 485 U.S. at 248. Such a showing breaks the "causal connection" between the alleged misrepresentation and investor reliance. *Id.* at 248–49.

2. Because establishing the availability of the fraud-on-the-market presumption is a necessary predicate to a finding that common issues predominate, a court must determine if a plaintiff is entitled to that presumption *before* certifying the class. *See IPO*, 471 F.3d at 43. Petitioner here relied on the fraud-on-the-market presumption to satisfy Rule 23(b)(3)'s predominance requirement, squarely presenting the issue at class certification. J.A. 147a–148a. The lower courts were, accordingly, correct to scrutinize it as they did. *See* Pet. App. 3a–54a, 111a–136a; *see also Basic*, 485 U.S. at 242; *Falcon*, 457 U.S. at 160–61; *Hydrogen Peroxide*, 552 F.3d at 307, 320; *Unger*, 401 F.3d at 321; *Gariety*, 368 F.3d at 365–66.

Indeed, both petitioner and the United States accept that the plaintiff bears the burden of showing, at the class-certification stage, that the predicates of the *Basic* presumption are met. Pet. Br. 48 (court must "determin[e] whether plaintiffs have met the requirements for invoking the presumption, in particular by showing that the market in question is efficient"); U.S. Br. 11 ("To invoke that presumption at the class-certification stage, petitioner was required to show that respondents' alleged misrepresentations were made publicly, that the company's shares were traded in an efficient market, and that the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed").

Petitioner argues, however, that "the proper time to rebut the presumption of reliance ... is at *trial*, *not* class certification." Pet. Br. 35; *but see id.* at 48 n.15. The United States likewise argues that a court need not permit a defendant to rebut the fraud-on-the-market presumption at class certification. U.S. Br.

19 n.3. The government's position is entitled to no deference, since government prosecutions need not comply with Rule 23 and, in any event, the government takes the position that reliance is not an element of an enforcement action. *See Piper* v. *Chris-Craft Indus., Inc.*, 430 U.S. 1, 42 n.27 (1977). And both the government and petitioner are wrong in this respect.

The leading decision on the rebuttal issue is *Salomon*, from the Circuit that hears more securities cases than any other and that announced (in *IPO*) the definitive treatment of a district court's authority to resolve disputes that go to the Rule 23 requirements. The *Salomon* court recognized that the district court must consider not only plaintiff's proof of entitlement to the *Basic* presumption, but also any rebuttal evidence offered by the defendant, *before* certifying the class. *See* 544 F.3d at 485 (the required "definitive assessment that the Rule 23(b)(3) predominance requirement has been met ... cannot be made without determining whether defendants can successfully rebut the fraud-on-the-market presumption") (internal quotation marks omitted). While petitioner tries to square *Salomon* with its position (*see, e.g.*, Pet. Br. 24 & 45), the government maintains that *Salomon*'s ruling on rebuttal evidence was "err[oneous]." U.S. Br. 19 n.3. It is the government, however, that errs.

The Third Circuit very recently agreed that "rebuttal of the presumption of reliance falls within the ambit of issues that, if relevant, should be addressed by district courts at the class certification stage." *In re DVI, Inc. Sec. Litig.*, No. 08-8033 (3d Cir. Mar. 29, 2011), slip op. at 31. The court explained that because the presumption of reliance "is necessary to meet the Rule 23(b)(3) predominance requirement, a

district court should conduct a rigorous market efficiency analysis." *Id.* at 19. "This may, in some cases, include weighing conflicting expert testimony and making factual findings." *Ibid.* Although the court expressed the view that "loss causation considered separate and apart from the presumption of reliance will rarely defeat the Rule 23(b)(3) predominance requirement," it recognized that "evidence introduced by a defendant at the class certification stage demonstrating ... that there was no market impact and therefore no loss causation" can "rebut the presumption of reliance and in turn defeat predominance." *Id.* at 32–33. Therefore such evidence—that is, evidence related to causation-cum-reliance—must be considered by the district court at the certification stage.

Salomon and *DVI* are applications of the proper rule that a district court *must* consider a defendant's rebuttal arguments, at the class-certification stage, because this is the only way to conduct the "close look" that ensures "actual ... conformance" with Rule 23. *Amchem*, 521 U.S. at 615; *Falcon*, 457 U.S. at 160–61. As *Basic* held, rebuttal of the presumption means that a class cannot be maintained. *See* 485 U.S. at 242. 248. Because a court must make a "definitive assessment" (*IPO*, 471 F.3d at 41), of whether the Rule 23 requirements are satisfied, it must consider a defendant's evidence rebutting the fraud-on-the-market presumption at class certification. *See Salomon*, 544 F.3d at 485; *Gariety*, 368 F.3d at 366–67. The court's analysis is not limited to the plaintiff's evidence in support of class certification; if the defendant can successfully rebut the presumption, then the court cannot allow the plaintiff to present its case at trial on a class-wide basis and therefore cannot certify the class. *See* Fed. R. Civ. P.

23(c)(1)(B); *Salomon*, 544 F.3d at 485 ("The *Basic* Court explained that a successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement") (citing 485 U.S. at 249 n.29); *see also DVI*, slip op. at 31–32.

3. The United States mistakenly claims that "[f]or purposes of Rule 23, a defendant's attempt to rebut the fraud-on-the-market presumption is no different from an effort to contest any other element of the plaintiff's claim, or to establish an affirmative defense." U.S. Br. 17. According to the United States, a plaintiff need only raise common questions regarding class-wide reliance to obtain certification. *See id.* at 18, 24.

This argument conflates the question whether a plaintiff can prove the *element* of reliance—ultimately a merits inquiry—with the question whether a representative plaintiff can invoke the fraud-on-the-market *presumption* in order to show reliance on a class-wide basis, a question essential to class certification. *See Falcon*, 457 U.S. at 160–61; *Eisen*, 417 U.S. at 177–78. Petitioner acknowledges that "[t]he proper analysis under Rule 23(b)(3) is how the putative class members will attempt to prove their case." Pet. Br. 25. Here, petitioner proposes to use the *Basic* presumption, and therefore the availability of the presumption must be tested on certification. *See Basic*, 485 U.S. at 242; *IPO*, 471 F.3d at 43; *Polymedica*, 432 F.3d at 7–8; *Unger*, 401 F.3d at 321–22; *Gariety*, 368 F.3d at 363–64. That is a Rule 23 issue, not a "merits" inquiry.

The availability of the presumption must be tested at class certification, as it bears on whether and how the claim can be tried as a class. *See* Fed. R. Civ. P. 23(c)(1)(B) (certification order must set out

the "claims, issues, [and] defenses" to be adjudicated at trial); *Hohider* v. *United Parcel Serv., Inc.*, 574 F.3d 169, 202 (3d Cir. 2009). If reliance cannot be presumed class-wide via the fraud-on-the-market presumption, then the class may not be certified. *See, e.g.*, *IPO*, 471 F.3d at 43. That is because if the "elements [of a claim] include individualized inquiries that cannot be addressed in a manner consistent with Rule 23, then the class cannot be certified." *Hohider*, 574 F.3d at 184; *see also Hydrogen Peroxide*, 552 F.3d at 311 (if "proof of the essential elements of the cause of action requires individual treatment, then class certification is unsuitable") (quoting *Newton*, 259 F.3d at 172); *McLaughlin*, 522 F.3d at 223–25.

This is not, therefore, a case where merely raising common questions will suffice. Rather, a plaintiff bears the burden of showing that it can prove reliance in an aggregated proceeding and that individualized inquiries regarding this element will not predominate. Richard A. Nagareda, *Class Certification in the Age of Aggregate Proof*, 84 N.Y.U. L. Rev. 97, 132 (2009) ("What matters to class certification ... is not the raising of common 'questions' ... but, rather, the capacity of a class-wide proceeding to generate common *answers* apt to drive the resolution of the litigation").

Postponing the question whether a plaintiff is entitled to the fraud-on-the-market presumption would also implicate the Rules Enabling Act. As the Court has cautioned, Rule 23 may not be interpreted in a way that runs afoul of the Act. *See Ortiz*, 527 U.S. at 845–46; *Amchem*, 521 U.S. at 629. In particular, a class may not be certified if doing so would relieve a plaintiff of the burden of proving an element of its claim. *See, e.g.*, *Hohider*, 574 F.3d at 196; *McLaugh-*

lin, 522 F.3d at 231. Nor, for that matter, does due process countenance the elimination of any defense that would otherwise be available to a defendant in a single-plaintiff action. *See Philip Morris USA, Inc.* v *Scott*, 131 S. Ct. 1, 3–4 (2010) (Scalia, J., in chambers).

The fraud-on-the-market presumption was explicitly adopted to facilitate class certification of securities claims that the reliance requirement would otherwise preclude from such treatment. *See Basic*, 485 U.S. at 242; *Salomon*, 544 F.3d at 483. But the Court did not—and indeed *could not*—relieve a plaintiff of the ultimate burden of proving reliance. *See* 28 U.S.C. § 2072(b); *Amchem*, 521 U.S. at 629. Thus, the presumption is—and must be—rebuttable. *See Basic*, 485 U.S. at 248–49.

The only real question before the Court in this case, then, is *when* the presumption may be rebutted: at class certification or at trial? If entitlement to the presumption is not resolved at class certification, then a plaintiff comes very close to improperly "circumvent[ing] the reliance requirement" (*Cent. Bank of Denver N.A.* v. *First Interstate Bank of Denver, N.A.*, 511 U.S. 164, 180 (1994)), in violation of the Court's admonition that Rule 23 must be construed in harmony with the Rules Enabling Act. *See Ortiz*, 527 U.S. at 845. Accordingly, fraud on the market—a presumption crafted to facilitate certification—must be tested where its inapplicability would defeat certification, and not later (when it might be too late as a practical matter). *See* Resp. Br. 32–35.

4. Evidence that "severs the link between the alleged misrepresentation" and a plaintiff's decision to invest can rebut the fraud-on-the-market presumption, rendering a claim unsuitable for class treat-

ment. *Basic*, 485 U.S. at 248. Whether or not loss causation is necessarily a component of the fraud-on-the-market presumption, in many cases evidence bearing on loss causation also bears on the class-certification question of whether the "link" has been "sever[ed]." And because a court is obligated to determine if Rule 23 is satisfied before certifying a class, a plaintiff's *theory of causation* at class certification must be rigorously analyzed where such evidence is relevant to the applicability of the fraud-on-the-market presumption.

Petitioner tries to avoid this conclusion by insisting that "reliance and loss causation are distinct concepts" (Pet. Br. 42; *see also* U.S. Br. 20 (same)), but this Court disagrees. *See Stoneridge*, 552 U.S. at 160 ("reliance is tied to causation"). Indeed, *Basic* itself recognized the close tie between reliance and causation. 485 U.S. at 248; *see also Cent. Bank*, 511 U.S. at 180; *DVI*, slip op. at 33.

The Court held in *Basic* that the presumption could be rebutted by a defense showing "that the misrepresentation in fact did not lead to a distortion of price." 485 U.S. at 248. Halliburton made such a showing in this case, which petitioner failed to rebut. *See* Resp. Br. 25–27.

Contrary to petitioner's abbreviated argument on the second question presented, in reviewing the certification evidence and resolving petitioner's entitlement to the presumption the courts did not conduct an impermissible inquiry into the merits. While loss causation is an element of petitioner's substantive claim under the securities laws, the courts below determined in this case that causative evidence was also a necessary predicate to petitioner's entitlement to the fraud-on-the-market presumption (Pet. App.

6a, 115a); negating the predicate disentitled petitioner to the presumption, and therefore destroyed the basis for class certification. This is exactly the "rigorous analysis" of the Rule 23 prerequisites that this Court has required. *Falcon*, 457 U.S. at 161.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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AMICUS CURIAE BRIEF

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Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO.; DAVID J. LESAR,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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SUMMARY OF ARGUMENT

Time-tested economic theory and empirical data continue to support the circumscribed economic assumption underneath *Basic*'s fraud-on-the-market presumption, namely that in an open and well-developed market, prices for a security will typically change in response to a material misstatement. Moreover, this theory and data remain a strong foundation for this Court's post-*Basic* procedural architecture for evaluating market prices, market distortions upon material misstatements, and reliance (or transaction causation) in securities litigation. This architecture – a finding of an efficient market at class certification creates a rebuttable presumption of reliance followed by a more particularized and nuanced inquiry into loss causation at the merits stage – remains an appropriate way for trial courts to sift through economic evidence to evaluate first whether material misstatements distorted market prices and, later, whether these distortions proximately caused investors' economic losses.

Yet the Fifth Circuit performed radical surgery on *Basic v. Levinson*, 485 U.S. 224 (1988) in *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 597 F.3d 330 (5th Cir. 2010) [hereinafter *Halliburton*] and the earlier case of *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007) [hereinafter *Oscar*]. These cases graft onto *Basic* a requirement that, to receive class certification, investors must prove loss causation. *See Oscar*, 487 F.3d at 265 ("Essentially, we require plaintiffs to establish loss causation in order to trigger the fraud-on-the-market

presumption."). This novel condition for class certification not only conflicts with the logic of *Basic*, it presents deep problems. *Halliburton* and *Oscar* conflate reliance and loss causation, even though those are doctrinally and analytically distinct elements of a 10b-5 claim. *See Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336, 342 (2005). In requiring plaintiffs to prove loss causation as a condition of class certification, *Halliburton* and *Oscar* fail to consider the predominance standard of Federal Rule of Civil Procedure 23(b)(3). Plaintiffs met this standard, as loss causation in a sufficiently efficient market presents issues that predominate with respect to all class members. *See, e.g., Schleicher v. Wendt*, 618 F.3d 679, 681 (7th Cir. 2010) ("whether the false-hoods affected the stock's price" is a common question). Nevertheless, *Halliburton* and *Oscar* effectively require that investors win a mini-trial on the merits at class-certification contrary to *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974).

Halliburton and *Oscar* force a premature analysis of difficult issues of loss causation without the kind of full factual record that provides a reliable foundation for determining whether material misstatements or omissions proximately caused an economic loss to investors. *Halliburton* and *Oscar* require that, to achieve class certification, investors must prove by a preponderance of the evidence that specific misstatements or corrective disclosure caused particular stock price moves. *See Halliburton*, 597 F.3d at 341 (plaintiff is required "to demonstrate that there is a reasonable likelihood that the cause of the decline in price is due to the revelation of the truth and not the release of the unrelated negative information.") (internal quotation marks omitted); *Oscar*,

487 F.3d at 266.[1] *Halliburton* and *Oscar* thus frustrate a careful untangling of possible confounding causal factors that may explain why prices did move or did not move in response to the revelation of an earlier misstatement. If investors cannot isolate at the class certification stage the causation attributable to fraud from that caused by confounding factors, *Halliburton* and *Oscar* preclude class certification. *See Halliburton*, 597 F.3d at 336; *Oscar*, 487 F.3d at 266. Moreover, *Halliburton* and *Oscar* invite defendants to mask the price effects of corrective disclosure behind the noise of other disclosure or even fresh misstatements. Without fuller discovery, courts and investors lack the ability to uncover this camouflage.

I. Loss Causation Presents Issues that Predominate with Respect to the Proposed Class in *Halliburton*, Rendering Loss Causation an Improper Condition to Class Certification Under Rule 23.

Despite their conflation in *Halliburton* and *Oscar*, reliance and loss causation represent doctrinally distinct elements of a Rule 10b-5 claim. *See Dura*, 544 U.S. at 342.[2] This distinction reflects a basic analytical

1. "In such multi-layered loss-causation inquiries, the legal standard . . . requires that plaintiffs prove (1) that the negative "truthful" information causing the decrease in price is related to an allegedly false, non-confirmatory positive statement made earlier and (2) that it is more probable than not that it was this negative statement, and not other unrelated statements, that caused a significant amount of the decline." *Id.* (internal quotation marks omitted).

2. The common law origins of these elements of a 10b-5 claim also highlight their conceptual differences. Jill E. Fisch, *Cause for Concern: Causation and Federal Securities Fraud*, 94 Iowa L. Rev. 811, 829 (2009).

difference between reliance and loss causation that becomes apparent when comparing *Basic* and *Dura*. In proving that a well-developed and open market exists, investors establish a mechanism by which misstatements are shown to generate distortions in market prices. *See Basic*, 485 U.S. at 244. Price distortions, alone, however, do not prove that misstatements proximately caused economic losses to investors. *See Dura*, 544 U.S. at 344-45. The element of loss causation then handles the vexing questions of whether supervening causes other than the price distortion – for example, a business suffering losses unrelated to the misstatement – generated the subsequent economic losses to investors. *See Dura*, 544 U.S. at 342-43.

Yet *Halliburton*, by extending the rule of *Oscar*, conflates loss causation and reliance by effectively making loss causation a condition to a presumption of reliance. *Basic* held that investors are entitled to a presumption of reliance if they traded in the security at issue during the proposed class period in reliance on the integrity of a price set in an open and impersonal market. *See Basic*, 485 U.S. at 244, 247. As explained in Part II of this brief, to benefit from this presumption, investors must prove that the market for a particular security has the requisite informational efficiency, such that prices in that market generally respond to material information, including material misstatements. *Cf. Basic*, 485 U.S. at 247 (". . . where materially misleading statements have been disseminated into an impersonal, well-developed market for securities, the reliance of individual plaintiffs on the integrity of the market may be presumed."). Investor proof that the particular market is sufficiently efficient leads to a presumption that a material misstatement of omission distorted the market price. *See Basic*, 485 U.S. at 246-47. *Oscar*, on the other hand, requires that investors prove

the separate element of loss causation as a condition to *Basic*'s presumption and to class certification. *Oscar*'s new rule requires, in turn, proof that supervening factors other than a price distortion generated by a material misstatement or omission did not cause the economic losses to investors. *See Oscar*, 487 F.3d at 265. In his dissent in *Oscar*, Judge Dennis stated succinctly that requiring loss causation as a condition to *Basic*'s presumption of reliance "subverts the fraud-on-the-market presumption by requiring the plaintiffs to prove, as a precondition to the application of the presumption, the very facts that are to be presumed under *Basic* (i.e. that the defendant's material misrepresentation was reflected in the stock price)." *Oscar*, 487 F.3d at 274 (Dennis, J., dissenting).

Investors indeed have to prove the separate element of loss causation. *Dura*, 544 U.S. at 342. However, they must do so at the merits stage, not as a condition to class certification. *See Schleicher*, 618 F.3d at 681 (holding that "[w]hether the false-hoods affected the stock's price" is a common question, which would make class treatment appropriate under Rule 23(b)(3)). Whether a class should be certified turns on whether the proposed class meets the standard of Rule 23(b)(3), not on the policy views of courts on the *in terrorem* power of certification. *Compare id.* at 686 ("We do not think it appropriate for the judiciary to make its own further adjustment by reinterpreting Rule 23 to make likely success on the merits essential to class certification . . .") *with Oscar*, 487 F.3d at 267 ("We cannot ignore the *in terrorem* power of certification . . .").

The distinction between reliance and causation matters intensely for purposes of class certification under Rule 23(b)(3). Reliance is typically a gateway issue for class certification. As *Basic* explained, without the fraud-

on-the-market presumption, no class could have been certified in that case. *Basic*, 485 U.S. at 242 ("Requiring proof of individualized reliance from each member of the proposed plaintiff class effectively would have prevented respondents from proceeding with a class action, since individual issues then would have overwhelmed the common ones.").[3] By contrast, when reliance is presumed under *Basic*'s fraud-on-the-market theory (which involves the circumscribed economic assumption and the rigorous procedure described in Part II of this brief), loss causation presents issues that do not vary from investor to investor, but instead are common to an entire class. *See Schleicher*, 618 F.3d at 681 ("whether the false-hoods affected the stock's price" is a common question); Donald C. Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. 151, 185 (reliance on a distorted price is common to all class members). More particularly, questions of whether a misstatement or subsequent corrective disclosure moved or did not move the price of a security affect the class as a whole.

Plaintiffs might lose on the issue of causation at the merits if the evidence fails to establish a causal connection between Halliburton's misstatements and movements in the price of that company's stock. However, this would

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3. The fraud-on-the-market presumption does not mean that common issues inevitably predominate with respect to the issue of reliance. In unique fact patterns, there may still be significant differences among plaintiffs of a proposed class that make certification inappropriate under the predominance standard of Rule 23. *See, e.g., In re Public Offering Sec. Litig.*, 471 F.3d 24, 43-44 (2d Cir. 2006) (precluding certification of class in which many institutional plaintiffs knew of, or participated in, alleged underwriter practices with respect to initial public offerings).

translate into a fatal weakness in the case of all plaintiffs.[4] Accordingly, under Rule 23(b)(3), common questions on the issue of loss causation predominate, and loss causation is an improper condition to the certification of a class. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 623 (1997) ("The Rule 23b(3) predominance inquiry tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation.").[5]

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4. "When the concern about the proposed class is not that it exhibits some fatal dissimilarity but, rather, a fatal similarity - a failure of proof as to an element of the plaintiffs' cause of action - courts should engage that question as a matter of summary judgment, not class certification." Richard A. Nagareda, *Class Certification in the Age of Aggregate Proof*, 84 N.Y.U. L. Rev. 97, 107 (2009).

5. Though the *level* of distortion may vary over the course of a class period, any potential variance in distortion over time would affect the amount of damages, not to the plaintiff's ability to prove the elements of her case. *See Blackie v. Barrack*, 524 F.2d 891, 909 n.25 (9th Cir. 1975), *cited with approval in Basic*, 485 U.S. at 245 & 247 n.25; *In re LTV Sec. Litig.*, 88 F.R.D. 134, 142 (N.D. Tex. 1980), *cited with approval in Basic*, 485 U.S. at 244 & 246 n.24; *cf. Miller v. Asensio & Co.*, 364 F.3d 223, 232 (4th Cir. 2004) (holding that the element of loss causation is satisfied if some portion of the loss was due to fraud; the precise amount is a damages question); *Robbins v. Koger Props. Inc.*, 116 F.3d 1441, 1447 n.5 (11th Cir. 1997) (same). The requirement to prove damages is itself a distinct element of Rule 10b-5 claims. *See Dura*, 544 U.S. at 342, 15 U.S.C. § 78u-4(b)(4) (2011). A class may be certified notwithstanding the necessity for individualized damages determinations. *See McLaughlin v. Am. Tobacco Co.*, 522 F.3d 215, 231 (2d Cir. 2008). *Kohen v. Pac. Inv. Mgmt. Co. LLC & PIMCO Funds*, 571 F.3d 672, 676 (7th Cir. 2009). This Court implicitly recognized as much in *Basic*, when it held that any dissipation of artificial inflation over the course of the class period should be determined at trial. *Cf.* 485 U.S. at 249 n.29. Trial courts can determine the different damages of individual plaintiffs in a class. *Schleicher*, 618 F.3d at 682.

Under Rule 23, a class action may be maintained if Rule 23(a) is satisfied and *any* one of the three elements of Rule 23(b) is satisfied. In rejecting class certification, *Halliburton* and *Oscar* ignore the last of these three elements, the predominance standard of Rule 23(b)(3). The failure of *Halliburton* and *Oscar* to base their rulings on whether the proposed class satisfies Rule 23(b) contravenes *Eisen*, in which this Court stated, "[i]n determining the propriety of a class action, the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met." *Eisen*, 417 U.S. at 178.

II. *Basic's* Fraud-on-the-market Presumption Remains Justified, Its Limited Economic Assumption Remains Grounded in Economic Research, and Its Procedural Framework Provides Appropriate Mechanisms to Ensure that Prices in a Specific Market Would Respond to Material Information.

Halliburton and *Oscar* introduce confusion regarding the current state of economic theory and evidence on market efficiency and their implications for *Basic*'s rebuttable fraud-on-the-market presumption. We believe that Judge Easterbrook's analysis in *Schleicher*, 618 F.3d 679, reflects a well-considered and concise analysis of the rationale and circumscribed economic assumption behind *Basic*'s fraud-on-the-market presumption. Judge Easterbrook has been influential in the development of the fraud-on-the-market theory in the courts and in the academy. Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. at 164. Although we may not all agree with every detail of his analysis, we write to reinforce generally Judge Easterbrook's reasoned support for *Basic* and his criticism of *Oscar* in *Schleicher*.

Below, we underscore the sensible purpose for which *Basic* created the fraud-on-the-market presumption, the circumscribed economic assumption behind this presumption, and the fact that this assumption does not rise or fall on current research on the Efficient Market Hypothesis (EMH) as a general economic proposition. *See Basic*, 485 U.S. at 246 n.24. Instead, *Basic*'s limited economic assumption depends on a reasonable procedural framework for determining that prices in the market for a particular security typically change in response to new material information. Understanding the purpose of the fraud-on-the-market presumption, the limited assumption underlying the presumption, and the rigorous procedure for triggering the presumption ensures that fast-and-loose translations of descriptive research and empirical questions on the EMH do not result in ill-considered changes to time-tested legal rules. These time-tested, durable, and reasonable rules include the nuanced procedural framework created by this Court in *Basic* and radically altered by *Halliburton* and *Oscar*. This framework includes a requirement that investors prove by a preponderance of evidence that the market for the security at issue is sufficiently efficient at the class certification stage. *Cf. Basic*, 485 U.S. at 248. By proving that the market for the particular security in question has the requisite efficiency, investors both establish that a material misstatement would distort the market price and trigger the fraud-on-the-market presumption. *Cf. id.* at 247-48. Defendants can rebut this presumption. *Id.* at 248. Moreover, plaintiffs must then prove the separate element of loss causation. *See Dura*, 544 U.S. at 342-43. This procedural framework, when combined with the other requirements for a Rule 10b-5 claim, remains an appropriate way for trial courts to sift through economic evidence in Rule 10b-5 actions.

Basic held that the presence of an impersonal and well-developed market permitted a presumption that investors could rely on the integrity of the market price (not that they actually relied). *See Basic*, 485 U.S. at 245-47. This reveals the rationale for the fraud-on-the-market presumption. The Court held that the presumption facilitated investor reliance on the integrity of the market price, or, in other words, that the price was undistorted by fraud. *See id.* at 245-47. The presumption thus serves the same rationale as common law fraud rules, which allow parties to rely on representations of others without regard to their trustworthiness in order to facilitate confidence and economic exchange. *See Blackie*, 524 F.2d at 907 ("The statute and rule are designed to foster an expectation that securities markets are free from fraud - an expectation on which purchasers should be able to rely."); Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. at 161, Richard A. Posner, *Economic Analysis of Law* 111-14 (7th ed. 2007). The pragmatism of the presumption lies at the heart of the folksy, yet profound insight in *Basic*: "[w]ho would knowingly roll the dice in a crooked crap game?" *Basic*, 485 U.S. at 247.[6]

Basic's fraud-on-the-market presumption in turn rests on a very limited, but fundamental economic assumption, namely that, in a particular market with sufficient informational efficiency a material misstatement, typically

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6. *Basic* was not the first time this Court created a presumption of reliance. In *Affiliated Ute Citizens v. U.S.*, 406 U.S. 128 (1972), the Court created a presumption of reliance in the case of a failure to disclose. *Id.* at 153-54. Without that judicially-created presumption, investors could offer little proof that their investment decisions would have changed but for omitted statements and much fraud would go un-checked.

affects and distorts the market price of a security (or, alternatively, prices would have changed but for a material omission). *See id.* at 246-47. Without relying on technical economic research, *Basic* assumed that when the market for a company's securities was open and developed, material misstatements would typically impact and distort the price of those securities. *See id.* If investors meet the burden of proving that a particular market is sufficiently efficient, then *Basic* creates a rebuttable presumption that the reliance element of a 10b-5 claim is satisfied. *See id.* at 248. The economic assumption that undergirds *Basic*'s holding is tightly circumscribed. *Basic* does not rest on more ambitious claims that prices in a particular market reflect some "intrinsic" value of the security in question. *In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 14-16 (1st Cir. 2005).[7] Nor, as we explain below, does the fraud-on-the-market presumption depend on whether prices in a particular market incorporate *all* public information or instantaneously react to information, or that exceptions to the tendency of prices to change on disclosure of material information do not exist. Nor did *Basic* premise the fraud-on-the-market presumption on an actual belief by investors that a market is efficient.[8]

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7. *PolyMedica* explains that *Basic*'s fraud-on-the-market presumption requires courts to gauge whether prices in a particular market respond to material information, not whether prices respond "correctly" or whether they accurately reflect "fundamental value." *Id.*

8. In fact, if all investors believed either the semi-strong or strong versions of efficiency described below, they would have little incentive to trade, as they would not expect to make a profit. The informational efficiency of markets depends on a sufficient number of investors trading off the belief that they can profit off information and this trading then quickly closing any

Understanding the limited purpose of *Basic*'s presumption and the limited economic assumption on which it is based clarifies the relationship of the presumption to the EMH. This clearer understanding warns against oversimplified claims that empirical findings of exceptions to the EMH must mean that *Basic*'s fraud-on-the-market presumption is no longer reasonable. The EMH speaks to the informational efficiency of securities markets, *i.e.* the impact and speed by which information influences security prices, and comes in three forms. The "weak form" posits that current stock prices reflect all information on past price changes, the "semi-strong form" posits that stock prices reflect all publicly available information, and

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opportunities. *See* Sanford J. Grossman & Joseph E. Stiglitz, *On the Impossibility of Informationally Efficient Markets*, 70 Am. Econ. Rev. 393, 404 (1980) (redefining EMH by showing how trading of informed investors on small information inefficiencies drives markets towards equilibrium of information efficiency).

Many courts have recognized that the fraud-on-the-market presumption does not depend on investors believing that the market meets perfect efficiency. *See Schleicher*, 618 F.3d at 685 (7th Cir. 2010) ("Short sellers play a role in aligning prices with information under any version of the efficient capital market hypothesis."); *cf. McGuire v. Dendreon Corp.*, 267 F.R.D. 690, 695 (W.D. Wash. 2010) ("The price per share reflects all the publicly available information and the beliefs of both investors like Wilczynski, who believe the stock is undervalued, and short-sellers, who believe the stock is overvalued."); *Cf. Blackie*, 524 F.2d at 907 (9th Cir. 1975) ("A purchaser on the stock exchanges may be either unaware of a specific false representation, or may not directly rely on it; he may purchase because of a favorable price trend, price earnings ratio, or some other factor. Nevertheless, he relies generally on the supposition that the market price is validly set . . .").

the "strong form" holds that prices reflect all existing information both public and nonpublic. *See* Eugene F. Fama, *Efficient Capital Markets: a Review of Theory and Empirical Work*, 25 J. Fin. 383, 414 (1970). Empirical support for the strong form of the EMH is weak, as even the most influential economists who developed the EMH admit. *See* Eugene F. Fama, *Efficient Capital Markets: II*, 46 J. Fin. 1575, 1603 (1991). The ability of insiders to profit off non-public information undermines claims of strong form efficiency. *See* Joseph E. Finnerty, *Insiders and Market Efficiency*, 31 J. Fin. 1141, 1148 (1976). However, the depth of evidence supporting the semi-strong form, which holds that prices in markets quickly impound all public information, spans several decades. *See, e.g.*, *Schleicher*, 618 F.3d at 685; Fama, *Efficient Capital Markets: II*, 46 J. Fin. at 1601-02 (1991); Tarun Chordia et al., *Evidence on the Speed of Convergence to Market Efficiency*, 76 J. Fin. Econ. 271 (2005). It is a version of this semi-strong form of the EMH that influences the *Basic* presumption. *See* Daniel R. Fischel, *Efficient Capital Markets, the Crash, and the Fraud on the Market Theory*, 74 Cornell L. Rev. 907, 911 (1989).

However, we highlight the difference between the semi-strong version of the EMH, which claims that markets generally will quickly reflect all publicly available information, and *Basic*'s sharply circumscribed economic assumption that the price for a security in a particular market that has sufficient informational efficiency will change when a defendant makes a material misstatement. *See Basic*, 485 U.S. at 248 n. 28 ("By accepting this rebuttable presumption, we do not intend conclusively to adopt any particular theory of how quickly and completely publicly available information is reflected in the market

price.").[9] Under *Basic*, market prices need not incorporate *all* public information, but only materially misleading information. *See id.* at 246-48. The reasonableness of this assumption is buttressed by the several decades of studies cited above that support the even more expansive claims of the semi-strong version of the EMH.

The reasonableness of the limited assumption in *Basic* endures notwithstanding empirical studies (grouped in a loose field called "behavioral finance") that report anomalies in the pricing of securities in some liquid markets.[10] Anomalies of interest to economists in academic

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9. The Court held,

> We need not determine by adjudication what economists and social scientists have debated through the use of sophisticated statistical analysis and the application of economic theory. *For purposes of accepting the presumption of reliance in this case,* we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices. 485 U.S. at 246 n.24 (emphasis added).

10. A number of behavioral finance scholars have posited that investor "irrationality" (sometimes called "noise trading" or "investor sentiment") accounts for discrete anomalies in which prices in liquid markets seemingly do not instantaneously reflect all publicly available information. Burton G. Malkiel, *The Efficient Market and Its Critics*, 17 J. Econ. Persp. 59, 61-72 (2003). One example of an anomaly is the "January effect," which refers to evidence that stocks experienced abnormal-risk adjusted returns in the month of January compared to the rest of the year. *See* Robert A. Haugen & Josef Lakonishok, *See The Incredible January Effect: the Stock Market's Unsolved Mystery* (1988). Should these anomalies occur, they may create discrete

opportunities for investors to profit based on price trends (an anomaly to the weak form of the EMH) or public information (an anomaly to the semi-strong form). *See* Nicholas Barberis & Richard Thaler, *A Survey of Behavioral Finance, in Handbook of the Economics of Finance Vol. 1B* 1054 (George M. Constantinides et al. eds., 2003).

Other economists have criticized the methodology used to find behavioral finance anomalies and argued that these anomalies disappear with changes in the sampling and measurement of data, including proper calculations of changes in the risk of stock. *See, e.g.*, Eugene F. Fama, *Market Efficiency, Long-term Returns, and Behavioral Finance*, 49 J. Fin. Econ. 283, 304 (1998); Eugene F. Fama & Kenneth R. French, *Multifactor Explanations of Asset Pricing Anomalies*, 51 J. Fin. 55 (1996).

In addition, both proponents of the EMH and behavioral finance scholars agree that the occurrence of many of the anomalies that would conflict with the EMH occur with much greater frequency for issuers with smaller market capitalization. *See* Barberis & Thaler, *A Survey of Behavioral Finance, in Handbook of the Economics of Finance Vol. 1B* at 1112; *see* Ronald J. Gilson & Reinier Kraakman, *The Mechanisms of Market Efficiency Twenty Years Later: the Hindsight Bias*, 28 Iowa J. Corp. L. 715, 735 (2003)("many of the long-term pricing anomalies that cut against the efficiency of market prices largely disappear when analysts control for company size"). Scholars attribute the tendency of anomalies to occur in smaller capitalization stocks with the presence of fewer arbitrageurs, sophisticated investors who bet against anomalies. Barberis & Thaler, *A Survey of Behavioral Finance, in Handbook of the Economics of Finance Vol. 1B* at 1112; Gilson & Kraakman, *The Mechanisms of Market Efficiency Twenty Years Later: the Hindsight Bias*, 28 Iowa J. Corp. L. at 734-36.

Some economists and legal scholars have described an emerging synthesis in which empirical research shows that in developed securities markets either the weak or semi-strong form

debates on the EMH may not be significant enough to undermine the limited economic assumption of *Basic*. Concededly an anomaly may create a "mispricing" that would enable an arbitrageur to earn an abnormal risk-adjusted profit. *See* Gilson & Kraakman, *The Mechanisms of Market Efficiency Twenty Years Later: the Hindsight Bias*, 28 Iowa J. Corp. L. at 723-24. Yet these mispricings may not be large enough to demonstrate that material misstatements would not affect market prices. Moreover, many of these anomalies in market prices vanish with time, presumably as traders in liquid markets recognize and exploit the opportunities to profit. *See* Malkiel, *The Efficient Market and Its Critics*, 17 J. Econ. Persp. at 80. *See also* Chordia et al., *Evidence on the Speed of Convergence to Market Efficiency*, 76 J. Fin. Econ. 271.

Even if prices in a market do not adjust quickly and precisely to new information, the critical question for *Basic*'s fraud on the market presumption is not the speed of adjustment, but rather whether a market generally reacts to material information, such that a material misstatement or omission would distort the market price. *See* Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. at 169-70.

Of course, any good economist will insist on empirical data to justify a claim, including one that market prices generally respond to material information, including

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of EMH generally holds, but that anomalies and exceptions may apply from time to time. Gregory La Blanc & Jeffrey J. Rachlinski, *In Praise of Investor Irrationality, in The Law and Economics of Irrational Behavior* 542, 559-60 (Francesco Parisi & Vernon L. Smith eds., 2005) (describing behavioral finance as synthesis of empirical research on investor irrationality with widespread empirical support for the EMH).

material misstatements. So too do courts insist that plaintiffs prove every element of a 10b-5 claim. *Basic* and this Court's existing procedural framework insist on rigorous proof from plaintiffs of each element of their claim, yet require this proof in stages to allow for appropriate information gathering and minimize error in interpreting market data. Several procedural mechanisms together ensure that *Basic*'s preseumption is only available when the market for a particular security is sufficiently informationally efficient.[11]

First, plaintiffs must prove by a preponderance of the evidence at class certification that the market for a particular security typically has the requisite level of informational efficiency. *Basic* 485 U.S. at 245-47. In measuring efficiency, economists, including those who search for market anomalies, rely heavily on event studies, statistical methods that test whether specific events affected the market price of a security.[12] As a tool, event

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11. Moreover, plaintiffs must prove damages or economic loss. Neither *Basic* nor earlier cases which created a presumption of reliance such as *Affiliated Ute* relaxed this requirement for plaintiffs. *See Basic*, 485 U.S. at 248 n.28 ("... our decision today is not to be interpreted as addressing the proper measure of damages in litigation of this kind."; *Cf. Affiliated Ute*, 406 U.S. at 154-57 (evaluating damages).

12. *See* Sanjai Bhagat & Roberta Romano, *Event Studies and the Law: Part I: Technique and Corporate Litigation*, 4 Am. L. & Econ. Rev. 141, 143 (outlining uses and proper methodology for event studies); Sanjai Bhagat & Roberta Romano, *Event Studies and the Law: Part II: Empirical Studies of Corporate Law*, 4 Am. L. & Econ. Rev. 380, 397-400 (2002) (outlining use of event studies in private securities litigation in wake of *Basic*); Fama, *Efficient Capital Markets: II*, 46 J. Fin. at 1599-1607 (summarizing results of decades of event studies as tests for EMH).

studies have gained wide acceptance in the community of economics and finance scholars, as well as by a wide range of federal courts in securities litigation. Bhagat & Romano, *Event Studies and the Law: Part II: Empirical Studies of Corporate Law*, 4 Am. L. & Econ. Rev. at 397-400. Event studies can show that a market price for a particular security typically reacts to new information, demonstrating informational efficiency. *See, e.g., In re NetBank, Inc., Sec. Litig.*, 259 F.R.D. 656, 673 n.9 (N.D. Ga. 2009). However, event studies generally work less well when other causal factors, including those intentionally introduced by defendants, may confound the impact of the event being studied.[13] (Part III of this brief discusses how this problem is exacerbated by *Halliburton*'s unique requirement that, as a condition to class certification, investors prove that specific misstatements or corrective disclosures led to specific price movements.) Lower courts also consider a series of pragmatic factors that serve as proxies for market efficiency.[14]

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13. Event studies can lead to erroneous conclusions that particular event did not have a causal effect when other causes may mask the causal relationship. *See generally*, Vern R. Walker, *Restoring the Individual Plaintiff to Tort Law by Rejecting "Junk Logic" About Specific Causation*, 56 Ala. L. Rev. 381, 426 (2004) ("True causal relationships may be masked by the causal influence of other events and not revealed unless researchers manipulate and monitor the masking events."). *See also* Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. at 187.

14. Many federal courts follow *Cammer v. Bloom*, which sets forth factors for determining the requisite efficiency for the *Basic* fraud-on-the-market presumption such as (i) average weekly trading volume of a security, (ii) number of analysts covering a security, (iii) presence of market makers or arbitrageurs in a particular market, (iv) whether an issuer is eligible to file Form

Whether through event studies or the factors described above, plaintiffs must prove that markets have the requisite efficiency to trigger *Basic*'s fraud-on-the-market presumption. The case at bar does not require this Court to address the requisite level of efficiency for the fraud-on-the-market presumption of reliance nor the appropriate methods by which trial courts should determine this level of efficiency. In fact, the respondents

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S-3 with the Securities and Exchange Commission, and (v) tests of whether a stock price has reacted to unexpected information in the past. *Cammer v. Bloom*, 711 F. Supp. 1264, 1286-87 (D.N.J. 1989). This last factor could be proven by event studies. *See, e.g., Wagner v. Barrick Gold Corp.*, 251 F.R.D. 112, 119 n.7 (S.D.N.Y. 2008). Other courts use several additional factors added by *Krogman v. Sterritt*, 202 F.R.D. 467 (N.D. Tex. 2001) including (vi) the market capitalization of the issuer, (vii) bid-ask spreads for the security, and (viii) public float, that is, the number of shares held by non-insiders. *Id.* at 471-78.

Many of these factors address the limitations that behavioral finance scholars admit exists in their study of anomalies. For example, many behavioral finance scholars believe that the active presence of arbitrageurs (a factor under *Cammer*) reduces anomalies and promotes informational efficiency. Barberis & Thaler, *A Survey of Behavioral Finance, in Handbook of the Economics of Finance Vol. 1B* at 1112. In addition, many anomalies disappear when economists study larger issuers. *Id*; *see also* Gilson & Kraakman, *The Mechanisms of Market Efficiency Twenty Years Later: the Hindsight Bias*, 28 Iowa J. Corp. L. at 734-36. Several of the factors above, including Form S-3 eligibility, market capitalization, and public float, may mean that courts are less likely to find an efficient market for those smaller issuers most likely to experience anomalies identified by behavioral finance. (In addition, the occurrence of an anomaly does not equate with a market being so informationally inefficient that material misstatements do not register in price changes).

in this case did not contest that the market for Halliburton stock was efficient. *See Halliburton*, 597 F.3d at 335 ("the parties ... do not dispute the efficiency of the market"). However, we note the many cases in which courts have ruled that investors have failed to prove that particular markets have the requisite efficiency and denied class certification. *E.g., Teamsters Local 445 Freight Division Pension Fund v. Bombardier, Inc.*, 546 F.3d 196, 210 (2d Cir. 2006) (affirming denial of certification in market for mortgage backed securities).[15]

The rebuttable nature of *Basic*'s presumption of reliance provides an second mechanism for courts to ensure the reasonableness of *Basic*'s assumption that, in an efficient market, material misstatements (or omissions) have an impact on price. This second mechanism operates by screening out cases in which, even in a well-developed, impersonal market for a security, prices may not move after material disclosures. The defendant may rebut the fraud-on-the-market presumption by "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price . . ." *Basic*, 485 U.S. at 248. The rebuttable fraud-on-the-market presumption presents an appropriate balance between continued widespread empirical support for the limited assumption

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15. *See also In re Safety-Kleen Corp. Bondholders Litig.*, 2004 U.S. Dist. LEXIS 31099, *25 (D.S.C. Oct. 29, 2004) (decertifying class where market for bonds was not efficient); *Unger v. Amedisys, Inc.*, 401 F.3d 316, 322-325 (5th Cir. 2005) (vacating class certification for insufficient evidence of efficiency in market for securities of small cap issuer); *Freeman v. Laventhal & Horwath*, 915 F.2d 193, 199 (6th Cir. 1990) (finding a market for newly issued municipal bonds is not efficient).

of *Basic* – that, in a sufficiently efficient market, prices will generally react to material misstatements – with empirical evidence from behavioral finance of discrete cases of anomalies.

A common method of rebutting the presumption, for instance, is the so-called "Truth on the Market" defense fashioned by some lower courts. *See Schleicher*, 618 F.3d at 686-87. This defense flows from Justice Powell's statement in Basic that a defendant might rebut the fraud-on the-market presumption upon a showing that, notwithstanding a material misstatement, truthful news "credibly entered the market and dissipated the effects of the misstatements." *Basic*, 485 U.S. at 248-49. Significantly, however, those courts that consider this defense routinely address it at the summary judgment stage rather than the class certification stage and only after a defendant has put forth evidence indicating why truthful statements might have counteracted the pricing effect of the misrepresentation. *See, e.g., In re Apple Computer Sec. Litig.*, 886 F.2d 1109 (9th Cir. 1989); *see also Schleicher*, 618 F.3d at 686-87. In the process, these cases illustrate how some courts have found substantive protections for defendants in the fraud-on-the-market theory. Moreover, these cases demonstrate the procedural mechanism by which these protections are to be examined.

Yet *Oscar* misread *Basic* and transformed the defendant's right to rebut the *Basic* presumption into a requirement that plaintiffs affirmatively prove loss causation – and imposed this requirement at the class certification stage. *Oscar* reasons that *Basic*'s standard – that a defendant make "any showing that severs the link" – could be met by the mere presence of "publicly available

evidence that the corrective disclosure was buried in other bad news." *Oscar*, 487 F.3d at 265 *citing Greenberg v. Crossroads Systems, Inc.*, 364 F.3d 657 at 665 (5th Cir. 2004). Thus, under *Oscar*, a court could rule that the mere fact of a defendant making multiple simultaneous disclosures could be enough to require investors to prove the separate element of loss causation as a condition to a class being certified. *See Oscar*, 487 F.3d at 271-76 (Dennis, J., dissenting). Under no reasonable reading of *Basic*, can defendants meet the standard for rebutting the presumption "by simply asserting that a particular change in the market price could have been related to something other than the defendant's misrepresentations." *Id.* at 274-75. Again, *Oscar* overhauled *Basic*'s clear and carefully considered procedural framework.

III. Requiring a Mini-Trial on Loss Causation at Class Certification Frustrates Courts and Investors in Untangling the Effects of Mixed Statements, True and False, on Price Moves.

Loss causation creates a third, finer filter by which courts can review the causal connection between material misstatements and economic loss. Yet *Dura* clarifies the subtle, but important distinction between reliance and loss causation. If investors prove, and defendants do not rebut, that a market has sufficient efficiency, then the fraud-on-the market presumption will establish reliance, because, a material misstatement distorts the price of a security in a market with sufficient information efficiency. *Cf. Basic*, 485 U.S. at 245-47. Investors must then prove that the price distortion was the proximate cause of their economic loss. *See Dura*, 544 U.S. at 342. Even if Rule 23(b)(3) did not render loss causation inappropriate as a

condition to class certification, proof of loss causation by a preponderance of the evidence would remain an improper condition for class certification. *Halliburton* requires that, to achieve class certification, investors must prove by a preponderance of the evidence that specific misstatements or corrective disclosure caused particular stock price moves. *See Halliburton*, 597 F.3d at 335. Consequently, *Halliburton* and *Oscar* frustrate a careful untangling of possible confounding causal factors that may explain why prices did move or did not move. *See Schleicher*, 618 F.3d at 686.[16]

The facts of *Halliburton* demonstrate the unreasonableness of the requirement that investors prove loss causation at an early stage as a condition to class certification. The Fifth Circuit denied class certification because the plaintiffs did not prove that Halliburton's corrective disclosure was the cause of its share price drop. *Halliburton*, 597 F.3d at 336, 341-42, 344. *Halliburton* holds that "[b]y relying on a decline in price following a corrective disclosure as proof of causation, a plaintiff need prove that its loss resulted directly *because* of the correction to a prior misleading statement; otherwise there would be no inference raised that the original false statement caused an inflation in the price to begin with." *Id.* at 336 (emphasis in original). Thus, under *Halliburton*, unless investors can isolate, at the class certification stage, the causation solely attributable to fraud from any confounding factors, class certification is precluded.

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16. *See* Fisch, *Cause for Concern: Causation and Federal Securities Fraud*, 94 Iowa L. Rev. at 840-842 (discussing difficulty determining causation in securities litigation).

The problem with *Halliburton* is that many other factors – some of Halliburton's own devising – could easily mask the price decline after corrective disclosure. For example, an issuer making a corrective statement may simultaneously make other negative disclosures that may move prices in the same direction as a revelation of alleged fraud. Indeed, this is precisely what happened in *Halliburton*. The court found that plaintiffs did not prove that corrective disclosure on the costs savings of a merger with Dresser caused the price drop because that disclosure was made simultaneously with "multiple pieces of negative news." *See Halliburton*, 597 F.3d at 341. The co-mingled bad news – the timing of which was completely controlled by Halliburton –included disclosures of lower than expected profits from the Dresser business, business declines in various Halliburton units, and lower than expected earnings in Halliburton's energy services group. *See id.* at 341-42.

Alternatively, the issuer's "unrelated" disclosures may, in fact, be related to the facts revealed in the corrective disclosure. In *Oscar*, the issuer revealed that it had overstated the number of telephone lines it installed, while simultaneously disclosing that it had missed analyst expectations on earnings per share and suffered higher than expected losses. *See Oscar*, 487 F.3d at 263. The court rejected class certification because plaintiffs could not isolate the effects of the corrective disclosure on telephone lines installed from the other negative disclosure. *See id.* at 266. The court ignored the very real possibility that the company's lower earnings and higher losses might in fact have stemmed from the non-existent phone lines not providing revenue.

Requiring investors in the early stages of litigation to disentangle the causal effects of various simultaneous statements a prerequisite to class certification imposes an inappropriately high, and sometimes impossible, burden on them. The Fifth Circuit supposes that investors can untangle causal effects with publicly available data and event studies. *See Oscar*, 487 F.3d at 267. However, event studies struggle to distinguish the causal effect of multiple simultaneous events on stock price.[17]

Moreover, single-firm event studies of the type used to demonstrate loss causation may very well require information obtainable only through discovery. For instance, specification of an appropriate regression equation may require the use of a multi-factor model to control for potential confounding events but identification of the appropriate factors to use (e.g., the stock returns of relevant competitors or peer firms) may be difficult to discern from public records alone. *See, e.g.*, Jonathan Klick & Robert H. Sitkoff, *Agency Costs, Charitable Trusts, And Corporate Control: Evidence from Hershey's Kiss-Off*, 108 Colum. L. Rev. 749, 806-814 (2008) (illustrating the use of a multi-factor regression model using competitor-based controls). As a result, forcing plaintiffs to rely at the class certification stage on event studies using only publicly-available data may effectively force plaintiffs to use misspecified pricing equations.

This problem may afflict investors at trial to some extent as well. However, investors would then have

17. Langevoort, *Basic at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. at 187. *See generally*, Walker, *Restoring the Individual Plaintiff to Tort Law by Rejecting "Junk Logic" About Specific Causation*, 56 Ala. L. Rev. at 426.

the benefit of discovery which would, at a minimum, allow investors to uncover evidence that the defendants manipulated the issuer's disclosure in order to conceal the effect of false statements. The discovery that comes at the merits stage is appropriate because of the perverse incentives that *Halliburton* and *Oscar* create. *Halliburton* invites defendants to mask the price effects of corrective disclosure behind the noise of other disclosure or even fresh misstatements. *Cf.* Fisch, *Cause for Concern: Causation and Federal Securities Fraud*, 94 Iowa L. Rev. at 852;[18] James C. Spindler, *Why Shareholders Want Their CEO to Lie More After Dura Pharmaceuticals*, 95 Geo. L.J. 653, 691 (2007). Without full discovery, investors have inadequate tools to uncover whether defendants made additional disclosures to camouflage the effects of corrective disclosure. This risks skewing judicial determinations of loss causation and rewarding obfuscation by defendants.

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18. There are several ways in which defendants can time disclosure to frustrate the ability of plaintiffs to prove loss causation.

> Faced with the need to reveal their fraud, defendants can deliberately introduce additional causal factors. For example, before disclosing a fraud, corporate officials may release "unrelated" negative information that preemptively reduces stock price. This behavior is sometimes described as "walking down the stock price." Defendants also may bundle a corrective disclosure with good news that offsets the effect of the negative information on stock price. Still another alternative is to delay a corrective disclosure until immediately after market or industry bad news has caused stock prices to fall. *Id.*

A plaintiff class must still prove loss causation even amidst a "tangle of factors." *See Dura*, 544 U.S. at 342-43. However, courts can better analyze investor proof at the merits stage. Lower courts applying *Dura* insist on rigorous proof even when market-wide downturns present difficulties for plaintiffs and their experts in proving that specific material misstatements caused the economic loss. *See, e.g., In re Williams Sec. Litig. – WCG Subclass*, 558 F.3d 1130 (10th Cir. 2009) (affirming exclusion of expert testimony and awarding summary judgment against plaintiff class for failure to prove loss causation in light of market factors that included general boom and crash of telecommunications stocks).[19] Making determinations on loss causation at the summary judgment stage allows courts to conduct a more rigorous, fact-based inquiry into complex issues of causation.

In contrast, *Oscar* employs speculative theories about the efficiency of the market to cut off the inquiry at the class certification stage. *Oscar* further justifies its requirement that investors prove loss causation as a condition to certifying a class by arguing that the market may alternatively be either strong form efficient or inefficient with respect to specific types of information. *See Oscar*, 487 F.3d at 269. *Oscar* speculates that the market might be strong form efficient with respect to information on telephone line installations and thus insider trading might have corrected the market price well before the company's corrective disclosure. *See id.*

19. Moreover, a number of courts have ruled against plaintiffs in summary judgment (not in deciding to certify a class) based on the so-called "truth-on-the-market" defense described above. Although the truth-on-the-market defense is not before this Court, its adoption by lower courts indicates that market efficiency can also cut against plaintiffs on the merits.

at 269. Alternatively, *Oscar* speculates that a market might inefficiently process information on telephone line installations even though it was otherwise information efficient. *See id.* Requiring plaintiffs to prove neither of these speculative states of the market holds before a class is certified is improper.

Oscar offers no reason to believe that the market is likely to be strong form efficient (reflecting *all* public and non-public information) with respect to certain types of information like telephone line installations. Indeed, as noted above, there is scant economic evidence for strong efficiency. It is therefore inappropriate for class certification procedures to include a substantive inquiry based on the strong form. *Oscar* effectively creates a burden on investors to disprove strong form efficiency, speculating that insider trading could have changed the stock price before the corrective disclosure. *See Oscar*, 487 F.3d. at 269. Yet asking plaintiffs to disprove the effects of any insider trading would require them to prove a negative. Moreover, uncovering whether insider trading existed would be impossible without further discovery. We also note here that even though insider trading frequently is alleged in connection with market frauds, the presence of such trading may nonetheless be of insufficient volume to move the particular security the security's price. *Oscar* insists, however, that investors would not need additional discovery to prove their case. *See id.* at 267 ("Little discovery from defendants is demanded by the fraud-on-the-market regime. Its 'proof' is drawn from public data and public filings, as in this case.").[20]

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20. Moreover, *Oscar*'s speculation is internally inconsistent. If a market were strong-form efficient, insider trading would not be profitable because the non-public information would already be

Moreover, a larger problem plagues *Oscar*'s expectation that investors prove that the market was neither inefficient nor strong form efficient with respect to certain types of information. The same capacity of confounding factors and mixed disclosure to blur the effects of particular defendant statements on particular price movements would here again frustrate the ability of plaintiffs and trial courts to untangle complex causal skeins.

Proving loss causation presents a daunting task for plaintiffs in any case. The economic analysis required by *Dura* raises substantial challenges. These challenges are raised to a new level, however, by the requirement of *Halliburton* and *Oscar* that plaintiffs provide this proof at the class certification stage. *Halliburton* and *Oscar* require plaintiffs and trial courts to perform delicate surgery, while operating in dim light without full discovery.

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reflected in the market price. *Cf.* Finnerty, *Insiders and Market Efficiency*, 31 J. Fin. 1141, 1148 (1976).

CONCLUSION

For the foregoing reasons, the judgment of the Fifth Circuit should be reversed.

Respectfully submitted,

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March 1, 2011

AMICUS CURIAE BRIEF

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO. ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF OF CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICUS CURIAE*[1]

The Chamber of Commerce of the United States of America ("Chamber") is the Nation's largest federation of business companies and associations. It directly represents 300,000 members and indirectly represents the interests of over 3 million business, trade, and professional organizations of every size, in every sector, and from every region of the country. Over 96% of the Chamber's members are small businesses with 100 or fewer employees. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files *amicus curiae* briefs in cases that raise issues of concern to the nation's business community, such as those involving the federal securities laws, including *Stoneridge Investment Partners, LLC v. Scientific Atlanta, Inc.*, 552 U.S. 148 (2008), *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308 (2007), and *Dura Pharmaceuticals Inc. v. Broudo*, 544 U.S. 336 (2005).

Many of the Chamber's members are companies subject to the U.S. securities laws who would be directly and adversely affected if the Court were to hold that loss causation could not be considered at the class certification stage. Over

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[1] Pursuant to this Court's Rule 37.6, *amicus curiae* affirms that no counsel for any party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae*, its members or its counsel made a monetary contribution to its preparation or submission.

Pursuant to Rule 37.3, *amicus curiae* states that petitioner and respondent have consented to the filing of this brief, and copies of their letters of consent are on file with the Clerk's Office.

twenty years ago, in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), the Court created the fraud-on-the-market presumption expressly to allow 10b-5 plaintiffs to bring class action claims without having to prove individual reliance. Without that presumption, as *Basic* held, most 10b-5 class actions could not be certified as individual issues would predominate. *Basic* at 242. This significantly expanded both the Rule 10b-5 implied private right of action and Rule 10b-5 class actions. However, *Basic* did provide some limits to these expansions. At the class certification stage, *Basic* (i) required plaintiffs seeking the benefit of the presumption to "allege and prove" that, among other things, the alleged misrepresentations were "material" and the market in which the securities traded was "efficient," and (ii) permitted the presumption to be rebutted by "[*a*]*ny* showing that severs the link between a [defendant's] alleged misrepresentation and ... the price received (or paid) by the plaintiff...." 485 U.S. at 248, n. 27 (emphasis added).

The result advocated by Petitioner would erase even the limits on the fraud-on-the-market presumption imposed by *Basic*. By prohibiting courts from considering loss causation evidence at the class certification stage, Petitioner's argument would render the fraud-on-the-market presumption virtually irrebuttable and thereby further expand the 10b-5 judicially-implied cause of action. This would open the door to a flood of Rule 10b-5 class action litigation to the detriment of our nation's businesses and the financial markets. Such a result cannot be reconciled with *Basic* or with *Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*,

552 U.S. 148, 165-166 (2008), which held that the courts should not further expand the judicially-implied private right of action under Rule 10b-5.

INTRODUCTION AND SUMMARY OF ARGUMENT

In *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 597 F.3d 330, 341-42 (5th Cir. 2010), the Fifth Circuit Court of Appeals affirmed a lower court's decision denying class certification in a Rule 10b-5 case because the lack of any evidence of a market price impact disproved the fraud-on-the-market presumption. Specifically, the court stated that plaintiff could either prove that the price of the security was increased by the misrepresentation at the time it was made or, alternatively, prove that the price fell in response to a corrective disclosure through evidence akin to that used to show loss causation. The Court properly held that plaintiff could make neither showing. Petitioner seeks reversal of the Fifth Circuit's decision, arguing principally that because loss causation is a merits issue, it should not be considered as part of class certification. Petitioner is wrong because loss causation, like reliance, is *both* a class certification issue and a merits issue.

1. The result advocated by Petitioner – that courts are precluded from considering loss causation at the class certification stage – would expand class actions based on the Rule 10b-5 implied right of action in contravention of this Court's holdings in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988) and

Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc., 552 U.S. 148 (2008).

Basic Inc. v. Levinson,[2] significantly expanded the Rule 10b-5 implied right of action by creating a fraud-on-the-market presumption in order to permit securities fraud plaintiffs to meet class certification requirements under Fed. R. Civ. P. Rule 23. 485 U.S. at 242. *Basic* created the fraud-on-the-market presumption so that a class action might meet the predominance requirement of Fed. R. Civ. P. 23(b)(3). *Id.* ("Requiring proof of individualized reliance from each member of the proposed plaintiff class" would result in "individual issues . . . overwhelm[ing] the common ones"). To support its creation of a fraud-on-the-market presumption, the Court looked, not to the text of §10(b) and Rule 10b-5, but to an unexpressed "congressional policy" of "facilitating Rule 10b-5 litigation." *Id.* at 245.

Basic, however, expressly limited its expansion of the Rule 10b-5 private right of action by, *at the class certification stage*, (i) requiring plaintiffs seeking to benefit from the presumption to "allege and prove" that the alleged misrepresentations were material and that the securities traded in an efficient market, and (ii) permitting defendants to rebut the presumption by "[*a*]*ny* showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff. . . ." *Id.* at 248. Under *Basic*, establishing and rebutting the fraud-on-the-

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[2] *Basic* was a 4-2 decision. Justices Rehnquist, Scalia, and Kennedy did not participate.

market presumption are class certification issues because, in the absence of the presumption, "individual [reliance] issues . . . overwhelm[] the common ones." *Id.* at 242.

Loss causation is directly relevant to both of these class certification inquiries in a way that other 10b-5 merits issues, such as scienter, are not. Specifically, the absence of loss causation is relevant to showing that either the alleged misrepresentation was not material or the market was not efficient – either of which independently undermines the presumption. For the same reason, evidence disproving loss causation is one showing that "severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff . . . ." *Id.* at 248. It does this by proving that no event correcting that alleged misrepresentation ever moved the market price downward.

Unless the common-sense principle that what goes up must come down is repealed, the absence of loss causation disproves the presumption of reliance. When a plaintiff alleges that it paid an inflated stock price because a material misrepresentation was relied on by an efficient market – but the price never comes down due to a corrective event – this is a "showing" that rebuts the allegation of inflation in the first place.

An additional reason supports broadly interpreting *Basic*'s limitations so that the absence of loss causation disproves the presumption invented by *Basic*. This reason is that *Basic*'s presumption is inconsistent with the Court's more recent

jurisprudence against expanding implied rights of action, including 10b-5 private civil claims. *See Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 166 (2008) (declining to expand Rule 10b-5 implied right of action). At a minimum, *Basic*'s presumption should be constrained, not further expanded, by construing loss causation to be relevant to disproving the presumption.

This Court already has rejected the canard that if an issue is a merits issue, it cannot also be a class certification issue. After all, *Basic* itself expressly treats establishing and rebutting the presumption of reliance as both a merits issue and a class certification issue. 485 U.S. at 230, 250. More generally, in *General Telephone Co. of the Southwest v. Falcon*, 457 U.S. 147 (1982), the Court held that the class certification decision requires a "rigorous analysis" of whether "the prerequisites of Rule 23(a) have been satisfied" which could entail "prob[ing] behind the pleadings" and deciding issues that are "*enmeshed in the factual and legal issues compromising the plaintiff's cause of action.*'" *Id.* at 160, 161. (internal citations and quotations omitted) (emphasis added); *see also Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 615 (1997) (noting that Rule 23(b)(3) "invites a close look at the case before it is accepted as a class action")(internal citation omitted); *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 845, n. 20 (1999), (noting that where there is a "likelihood that significant questions, not only of damages but *of liability and defenses of liability*, would be present, affecting the individuals in different ways," class certification may not be

appropriate)(emphasis added)(citing Advisory Committee Notes to Rule 23(b)(3)). Loss causation is such an issue.

2. Independently, loss causation is also relevant to other class certification issues such as: (i) the proper end of the class period, and (ii) whether a broad Rule 10b-5 plaintiff class is impracticable or unmanageable.

Class Period. Pursuant to Rule 23(c)(1)(B), "[a]n order that certifies a class action must define the class" and include "a readily discernable, clear, and precise statement of the parameters defining the class or classes to be certified," including the class period. Fed. R. Civ. P. 23(c)(1)(B); *Wachtel v. Guardian Life Ins. Co. of Am.*, 453 F.3d 179, 187-88 (3d. Cir. 2006). In a Rule 10b-5 case, identifying the end of the class period requires courts to determine the last date when curative events caused a price drop. Identifying the last date when, if ever, a curative event reduced the stock price is a loss causation question. *See Dura Pharm. Inc. v. Broudo*, 544 U.S. 336, 344 (2005) ("a person who misrepresents the financial condition of a corporation in order to sell its stock *becomes liable to a relying purchaser 'for the loss' the purchaser sustains 'when the facts . . . become generally known' and 'as a result' share value 'depreciate[s]'*")(emphasis added)(internal citations omitted). Absent loss causation, no class period can be defined, because it would never end, and no class can be certified.

Manageability. Under Rule 23(b)(3)(D), "likely difficulties in managing a class action" may require

that certification be denied. Although Rule 23(c)(5), allows, "[*w*]*hen appropriate*, a class [to] be divided into subclasses," a class with many subclasses may well be unmanageable. Fed. R. Civ. P. 23(c)(5) (emphasis added). Many putative 10b-5 class actions allege that curative events affected a stock's price over a long period of time. Before certifying a class action, a court would have to consider whether multiple subclasses are necessary for numerous different groups of plaintiffs who sold at various points in time before the curative events were complete, as well as for those who sold before any curative events, and those who never sold or sold after all curative events had been absorbed by the market. These subgroups and their contingency fee counsel might have conflicts, such as how fairly to divide among them any settlement proceeds, or court-ordered recovery, based on when loss causation occurred. Such a morass of subclasses could render a broad class action unmanageable. In addition to the other reasons, at the class certification stage, courts should consider loss causation on manageability issues.

ARGUMENT

I. LOSS CAUSATION IS ESSENTIAL TO KEEP CLASS CERTIFICATION OF IMPLIED SECTION 10(B) ACTIONS WITHIN REASONABLE BOUNDS.

Basic Inc. v. Levinson expanded class actions based on the Rule 10b-5 implied private right of action by permitting putative class action plaintiffs to benefit from a class-wide presumption of reliance, but only if they could "allege and prove" that: (i) the defendant made material public misrepresentations, (ii) the "shares were traded on an efficient market," and (iii) the plaintiff traded the shares "between the time the misrepresentations were made and the time the truth was revealed." *Basic*, 485 U.S. at 248, n. 27. *Basic* held that, "without the presumption [of reliance], it would be impractical to certify a class under Federal Rule of Civil Procedure 23(b)(3)" because "individual [reliance] issues then would have overwhelmed the common ones." *Id.* at 230, 242. To support its creation of the fraud-on-the-market presumption to expand the implied private civil action, the Court looked not to the text of §10(b) and Rule 10b-5. Instead, *Basic* explained that "facilitating Rule 10b-5 litigation . . . supports . . . the congressional policy embodied in the 1934 Act." *Id.* at 245.

Basic is inconsistent with the Court's recent jurisprudence against expanding implied rights of action based on policy notions. In *Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008), the Court, recognizing that the

private right of action under §10(b) is a "judicial construct that Congress did not enact in the text of the relevant statutes" held that "[t]he decision to extend the [implied] cause of action is for Congress," not for the courts. *Id.* at 164-165. This reflected the Court's current approach, unlike *Basic*, of neither creating nor expanding implied rights of action. *See Wilkie v. Robbins*, 551 U.S. 537, 562 (2007) (no private *Bivens* action against Bureau of Land Management employees alleged to have used harassment and intimidation in attempt to force owner to grant easement); *Gonzaga Univ. v. Doe*, 536 U.S. 273, 287-91 (2002) (no private right of action created by nondisclosure provisions in Family Educational Rights and Privacy Act); *Alexander v. Sandoval*, 532 U.S. 275, 293 (2001) (no private right of action to enforce disparate-impact regulations promulgated under Title VI of Civil Rights Act of 1964).

The result advocated by Petitioner would contravene both *Stoneridge* and *Basic*. It would erode two important limitations on *Basic*'s sweeping expansion of the implied right of action: (i) the requirement that a plaintiff seeking the benefit of a fraud-on-the-market presumption "allege and prove" that the alleged misrepresentations are material and that the market for the securities is efficient, and (ii) the defendant's ability to rebut the presumption with "[a]ny showing that severs the link between [a defendant's] alleged misrepresentation and ... the price received (or paid) by the plaintiff ...." 485 U.S. at 248, n. 27. Consistent with *Stoneridge*, the Court should reject this expansion by ruling that a plaintiff cannot benefit from the fraud-on-the-market

presumption at the class certification stage where loss causation is absent.

A. Loss Causation Is Relevant To Whether the Fraud-on-the-Market Presumption Can Be Established And Rebutted At The Class Certification Stage.

In *Basic*, the Court held that a putative class-action plaintiff was entitled to a rebuttable presumption of class-wide reliance if plaintiff could "allege and prove," among other things, that (i) the alleged misrepresentations were material, (ii) "the misrepresentations would induce a reasonable, relying investor to misjudge the value of the shares" and (iii) the securities were traded in an efficient market. *Id.* at 248, n. 27. To reach this result, *Basic* embraced the "fraud-on-the-market" theory, which holds that "where materially misleading statements have been disseminated into an impersonal, well-developed market for securities, the reliance of individual plaintiffs on the integrity of the market price may be presumed" because "*most publicly available information is reflected in the market price*" and "*an investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price.*" *Id.* at 247 (emphasis added). The Court held that, in the absence of a fraud-on-the-market presumption, the predominance requirement of Fed. R. Civ. P. Rule 23(b)(3) could not be met because "[r]equiring proof of individualized reliance from each member of the proposed plaintiff class" would result in "individual issues . . . overwhelm[ing] the common ones." *Id.* at 242.

In *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336 (2005), the Court held that loss causation required proof that plaintiff's loss in share price was caused by the alleged material misrepresentation and not by other factors such as "changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other events, which taken separately or together account for some or all of that lower price." *Id.* at 342-43. Under *Dura*, "a person who misrepresents the financial condition of a corporation in order to sell its stock becomes liable to a relying purchaser *for the loss the purchaser sustains when the facts . . . become generally known and, as a result, share value depreciates.*" *Id.* at 344. (citing Restatement of Torts, 548A, comment b (internal quotations omitted) (emphasis added)).

Loss causation is directly linked to whether a plaintiff can establish the fraud-on-the-market presumption. If loss causation cannot be proven because no corrective event has had a negative impact on the stock price, this tends to prove at least one of two things: (i) the alleged misrepresentation was not material in the first place, or (ii) the market was not efficient with respect to the alleged misrepresentation. Either one is sufficient to find that the fraud-on-the-market presumption does not apply. *See Basic* at 248, n. 27 (quoting with approval and adopting the Sixth Circuit's holding that "in order to invoke the presumption, a plaintiff *must allege and prove*: (1) that the defendant made public misrepresentations; (2) that the misrepresentations were material; (3) that the shares were traded on an efficient market; (4) that the misrepresentations

would induce a reasonable, relying investor to misjudge the value of the shares, and (5) that the plaintiff traded the shares between the time the misrepresentations were made and the time the truth was revealed") (emphasis added). *See also Ray v. Citigroup Global Markets, Inc.*, 482 F.3d 991, 995 (7th Cir. 2007) (affirming summary judgment because plaintiffs "have not introduced enough evidence to go forward on a fraud-on-the-market theory" where the "record affirmatively contradicts the assertion that the value of the SSOL's stock declined just when the alleged misrepresentations were revealed");[3] *Greenberg v. Crossroad Systems, Inc.*, 364 F.3d 657, 665 (5th Cir. 2004) ("to trigger the presumption plaintiffs must demonstrate that there is a *reasonable likelihood that the cause of the decline in price is due to the revelation of the truth* and not the release of unrelated negative information"); *see also* Daniel R. Fischel, *Use of Modern Finance Theory In Securities Fraud Cases Involving Actively Traded Securities*, 38 BUS. L. 1, 11 (1982) ("if there has been no such effect [on market price], it is more accurate to say that the plaintiff has not shown that there has been a fraud on the market and therefore is not entitled to recovery"); Jeffrey Oldham, *Comment, Taking "Efficient Markets" Out of the Fraud-on-the-Market Doctrine After the Private Securities*

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[3] Petitioner argues that the Seventh Circuit's decision in *Schleicher v. Wendt*, 618 F.3d 679 (7th Cir. 2010) is contrary to the Fifth Circuit's decision below. *Schleicher* cited with approval the Seventh Circuit's prior decision in *Ray v. Citigroup Global Markets*, which held that a plaintiff's inability to prove that a curative disclosure affected market price precluded recovery under a fraud-on-the-market theory. *Id.* at 683.

Litigation Reform Act, 97 NW. U. L. REV. 995, 1034 (2003) ("whether the alleged misstatement actually affected the market [price], i.e., loss causation" is a "question at the center of the presumption of reliance").

Even assuming the presumption applies, evidence that disproves loss causation also rebuts the fraud-on-the-market presumption. Under *Basic*, the fraud-on-the-market presumption is rebuttable by, among other things, a "show[ing] that the misrepresentation in fact did not lead to a distortion of price." 485 U.S. at 248 (discussing the Sixth Circuit's decision below). Indeed, "[*a*]*ny showing that severs the link between the alleged misrepresentation and ... the price received (or paid) by the plaintiff* . . .will be sufficient to rebut the presumption of reliance." *Id.* (emphasis added).

The Second Circuit, the Circuit with the largest securities docket,[4] has recognized that the absence of loss causation rebuts the presumption of reliance. In *In re Salomon Analyst Metromedia Litigation*, for example, the Second Circuit vacated a trial court decision certifying a class where the trial court had refused to permit defendants to point to the absence of loss causation in order to rebut the presumption. Rejecting arguments similar to those advanced by Petitioner here, the Second Circuit remanded the case "to allow the district court to

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[4] *See Morrison v. Nat'l Australia Bank Ltd.*, __ U.S. __, 130 S. Ct. 2869, 2880 (2010) (referring to a decision of the D.C. Circuit Court of Appeals that deferred to the Second Circuit "because of its preeminence in the field of securities law.")(internal citations omitted).

permit defendants the opportunity to rebut the *Basic* presumption prior to class certification" by "*arguing for example, that market price was not affected by the alleged misstatements*" or that "other statements in the 'sea of voices' of market commentary were responsible for price discrepancies." 544 F.3d 474, 485-86 (2d Cir. 2008); *see also In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29, 38 (2d Cir 2009) (noting with approval that "the lower court clearly considered the in-and-out traders' ability to prove loss causation as relevant to Plaintiffs' class certification motion" and that "lower courts have an 'obligation' to resolve factual disputes relevant to the Rule 23 requirements" which is "not lessened by overlap between a Rule 23 requirement and a merits issue")(internal citations omitted).

Similarly, the Third Circuit has recognized that the absence of a price reaction when information is disclosed shows that the information was not material in the first place, thus rebutting the presumption of reliance. In *In re Burlington Coat Factory Securities Litigation*, 114 F.3d 1410, 1419, n. 8 (3d Cir. 1997), for example, then-Circuit Judge Alito explained that "the presumption of reliance [*is*] *based on the theory that in an efficient market the misinformation directly affects the stock prices at which the investor trades and thus, through the inflated or deflated price, causes injury* even in the absence of direct reliance." Although class certification was not at issue, *Burlington* held that materiality under a fraud-on-the-market theory fails where corrective disclosures had no effect on price:

> *In the context of an 'efficient' market, the concept of materiality translates into information that alters the price of the firm's stock* . . . This is so because efficient markets are those in which information important to reasonable investors (in effect, the market) is immediately incorporated into stock prices . . . *Therefore, to the extent that information is not important to reasonable investors, it follows that its release will have a negligible effect on the stock price.* In this case, plaintiffs have represented to us that the July 29 release of information had no effect on BCF's stock price. This is, in effect, a representation that the information was not material.
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> *Id.* at 1425(emphasis added) (internal citations and quotations omitted).

See also Oran v. Stafford, 226 F.3d 275, 282 (3d Cir. 2000) ("when a stock is traded in an efficient market, *the materiality of disclosed information may be measured post hoc by looking to the movement, in the period immediately following disclosure, of the price of the firm's stock*") (Alito, C.J.).

In *In re DVI, Inc. Sec. Litig.*, Nos. 08-8033 & 08-8045, 2011 WL 1125926 (3d Cir. Mar. 29, 2011), the Third Circuit, following Judge Alito's reasoning in *Burlington* and *Oran*, joined the Second Circuit in permitting the fraud-on-the-market presumption to be rebutted at the class certification stage by evidence that a corrective disclosure did not affect

the market price of a security. *Id. at* **8.* According to the Third Circuit, there were "several reasons" for this: (i) "a demonstration the market did not assimilate information about the security into the market price . . . when an alleged corrective disclosure occurred . . . may undercut the general claim of market efficiency or demonstrate market inefficiency relating to the securities in issue" and (ii) "[i]n an otherwise efficient market, the failure of a corrective disclosure to affect market price may . . . serve as a rebuttal to the presumption of reliance because it renders the misstatement immaterial as a matter of law." *Id.*

As the Third Circuit held in *In re DVI, Inc. Securities Litigation*, the same facts that show that information was immaterial on the merits also demonstrate that the materiality required for the presumption of reliance – and thus necessary for class certification – has not been shown. *See id.* And like the Third Circuit, the Fifth Circuit has simply applied the logic of *Burlington* to the fraud-on-the-market issue both on the merits and at the class certification stage. *See Nathenson v. Zonagen, Inc.*, 267 F.3d 400, 415 (5th Cir. 2001) (agreeing with *Burlington* and noting that "although there is generally a presumption that potentially significant publicly disseminated information is reflected in the price of stock traded on an efficient market, the presumption is rebuttable, and *where the facts properly considered by the district court reflect that the information in question did not affect the price of the stock then the district court may properly deny fraud-on-the-market based recovery*")(emphasis added); *see also Oscar Private Equity Investments v.*

Allegiance Telecom, Inc., 487 F.3d 261, 265 (5th Cir. 2007) (vacating class certification order and holding that the presumption may be rebutted by "a showing that the market price would not have been affected by the alleged misrepresentations" because "in such a case the basis for finding that the fraud had been transmitted through the market price would be gone").[5]

This could be improper only if merits issues and class certification issues always must fall in different categories. As we next show, that assertion is demonstrably wrong.

B. Loss Causation is Both a Merits Issue and a Class Certification Issue.

Petitioner argues that because loss causation is a merits issue, it should not be considered at the class certification stage of a 10b-5 case. (Pet. Br. at 46). But this Court has repeatedly rejected that argument, holding that merits issues and class certification issues can overlap. Indeed, *Basic* itself addressed the application of the fraud-on-the-market rebuttable presumption of reliance as both a merits issue and a class certification issue. *See* 485 U.S. at

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[5] To be clear, the Fifth Circuit does not require a plaintiff to establish, at the class certification stage, the "full quantification of damages" or show the exact "percentage of the [price] drop [that] was attributable to the corrective disclosure." *Oscar*, 487 F.3d at 271. Rather, the Fifth Circuit requires that plaintiffs make "some empirically-based showing that the corrective disclosure was more than just present at the scene." *Id.*

250 ("the District Court's certification of the class here was appropriate when made but is subject on remand to such adjustment, if any, as developing circumstances demand"); *see also id.* at 230 ("We granted certiorari . . . to determine whether the courts below *properly applied* a presumption of reliance in certifying the class, rather than requiring each class member to show direct reliance on Basic's statements") (emphasis added).

More generally, in *General Telephone Co. of the Southwest v. Falcon*, 457 U.S. 147 (1982), the Court held that the class certification decision requires a "rigorous analysis" of whether "the prerequisites of Rule 23(a) have been satisfied" which could entail "prob[ing] behind the pleadings" and considering issues that are "*enmeshed in the factual and legal issues compromising the plaintiff's cause of action*'" *Id.* at 160-161. (internal citations and quotations omitted)(emphasis added). *See also Amchem Prods.*, 521 U.S. 591, 615 (noting that Rule 23(b)(3) "invites a close look at the case before it is accepted as a class action")(internal citations omitted); *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 845, n. 20 (1999), (noting that where there is a "likelihood that significant questions, not only of damages but *of liability and defenses of liability*, would be present, affecting the individuals in different ways," class certification may not be appropriate)(emphasis added)(internal citations omitted).

Similarly, the comments to the 2003 Amendments to Rule 23 reflect that merits issues "relevant to making the certification decision on an

informed basis" will be considered at the class certification stage:

> [D]iscovery in aid of the certification decision often includes information required to indentify the nature of the issues that actually will be presented at trial. In this sense it is appropriate to conduct controlled discovery into the "merits," limited to those aspects relevant to making the certification decision on an informed basis.
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> Comments to 2003 Amendments to Rule 23.

See also In re Initial Pub. Offerings Sec. Litig. 471 F.3d 24, 42 (2d Cir. 2006) (rejecting the argument that a "district judge may not weigh conflicting evidence and determine the existence of a Rule 23 requirement just because that requirement is identical to an issue on the merits" and noting that "[a] district judge is to assess all of the relevant evidence admitted at the class certification stage and determine whether each Rule 23 requirement has been met, just as a judge would resolve a dispute about any other threshold prerequisite for continuing a lawsuit")(emphasis added).

The relationship between merits issues and class certification issues may be pictured as a Venn diagram, with merits and class certification issues forming two intersecting circles. Loss causation, like reliance, occupies the space where Rule 10b-5 merits issues and class certification issues intersect. This is

because, as demonstrated above, evidence disproving loss causation is relevant to whether the fraud-on-the-market presumption can be established and/or rebutted and, in the absence of the presumption, a Rule 10b-5 claim cannot meet the predominance requirement of Rule 23(b)(3). *See Basic*, 485 U.S. at 242.

Nor does this open the door to all merits issues being considered as part of class certification in a securities or other class action. A merits issue such as scienter, unlike loss causation, has no connection to proving or rebutting the fraud-on-the-market presumption. To return to the Venn diagram illustration, scienter falls only in the circle of merits issues.

Petitioner is also incorrect that consideration of loss causation at the class certification stage would deprive class action plaintiffs of the right to a jury trial. This Court has held that nothing in the Seventh Amendment "inhibits" Congress or the Federal Rules from establishing heightened pleading requirements for raising individual issues in 10b-5 actions. *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 327-28 n. 9 (2007). This is because either Congress or the Federal Rules may "prescribe[] the means of making an issue, and [only] when the issue [is] made as prescribed, the right to trial by jury accrues." *Id.* at 328 (first two sets of brackets added) (quoting *Fidelity & Deposit Co. of Md. v. United States*, 187 U.S. 315, 320 (1902)). Likewise, Rule 23(b)(3) requires the trial court to make "findings" that class issues predominate over individual issues. Fed. R. Civ. P. 23(b)(3). Only if

and when plaintiff satisfies this means prescribed by Rule 23(b)(3) for making class issues predominate, could any right to jury trial attach to any class issues.[6]

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[6] Petitioner also claims that *Basic* held that rebuttal of the presumption is a matter for trial, not class certification. Pet. Brf. at 24. *Basic's* full comment, which appears as *dicta* in a footnote, suggests the opposite:

> We note there may be a certain incongruity between the assumption that Basic shares are traded on a well-developed, efficient, and information-hungry market, and the allegation that such a market could remain misinformed, and its valuation of Basic shares depressed, for 14 months, on the basis of three public statements. *Proof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate.*
>
> *Basic*, 485 U.S. at 249, n. 29 (emphasis added).

Thus, even when a district court has certified a class action, and a jury trial is underway, the court should decertify when the proof at trial rebuts the presumption of reliance. *See also id.* at 250 ("[t]he District Court's certification of the class . . . is subject on remand to such adjustment, if any, as developing circumstances demand"). Moreover, *Basic, id.* at 248, cited with approval the very footnote of the Sixth Circuit's decision below that made clear that a defendant has the opportunity to rebut the presumption at the class certification stage. *See Levinson v. Basic, Inc.*, 786 F.2d 741, 750, n.6 (6th Cir. 1986) ("*A defendant can defend against this presumption of reliance in two ways* . . . First,... a defendant can rebut proof of the five elements that give rise to the presumption") (emphasis added).

The United States, in its *amicus* brief, argues that plaintiff's inability to establish loss causation has no bearing on whether reliance may be presumed because *Basic*'s focus is on "the initial transaction, not on subsequent events that might (or might not) cause the plaintiff to suffer an economic loss." (U.S. Br. at 20). To support this argument, the United States posits hypothetical scenarios in which a purchaser buys a security at a falsely inflated price and then either sells it before the truth is made public or sells it after at a lower price that results from factors other than the material misrepresentation. In both scenarios, the United States argues, the purchaser may have relied on an initial purchase price that was inflated by a misrepresentation – thereby satisfying the *Basic* presumption – and yet loss causation cannot be proven. (U.S. Br. at 22).

The United States' hypotheticals oversimplify because they assume the unusual situation where the putative class plaintiff sells before any event corrected the alleged misrepresentation. In reality, such a plaintiff could not be certified as a class representative because it would both suffer no injury and therefore lack standing and be an inadequate and atypical representative. *See* Fed. R. Civ. P. 23(a). *Dura* holds that a plaintiff who sells before a corrective event tied to the challenged misrepresentation has not been injured. *Dura Pharm. Inc. v. Broudo*, 544 U.S. 336, 342 (2005). An uninjured plaintiff has neither standing nor satisfies adequacy and typicality. *Blum v. Yaretsky*, 457 U.S.

991, 999-1000 (1982); *Amchem Prods.*, 521 U.S. at 626. The typical putative class plaintiff has never sold, or sold only after what it claims was the corrective event.

Even assuming that the United States is correct in its atypical hypotheticals, this would simply mean that the absence of loss causation will not automatically destroy the fraud-on-the-market presumption in *all* cases. If, at the class certification stage, such unusual putative class plaintiffs can point to other facts demonstrating that they purchased the security at a falsely inflated price in an efficient market, even though no corrective event ever caused the price to decrease, plaintiffs may be able to establish the presumption of reliance despite the absence of loss causation. But, as a practical matter, a plaintiff who cannot show that any corrective event resulted in a price movement *at any time* will rarely, if ever, be able to show that, at the time of the purchase, the price of the stock was inflated by an alleged material misrepresentation in an efficient market. Rather, in the vast majority of cases, the absence of loss causation will constitute a "showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff . . . ." *Basic*, 485 U.S. at 248. Therefore, the fraud-in-the-market presumption will fail, and class certification will be denied because individual issues predominate.

Any other result would overburden the federal courts and the securities markets with improper class actions. A rule that prohibited courts from considering loss causation at the class certification

stage would result in plaintiff classes being certified without the "rigorous analysis" required by *General Telephone Co.*, 457 U.S. 147, 161 (1982), and would shear the fraud-on-the-market presumption created by *Basic* of its own limits.

Such a result also would, contrary to *Stoneridge*, increase the "intense pressure to settle" that class actions create and permit "plaintiffs with weak claims to extort settlements from innocent companies" to the detriment of our economy. *Stoneridge*, 552 U.S. at 149; *In re Rhone-Poulenc Rorer, Inc.*, 51 F.3d 1293, 1298 (7th Cir. 1995) (Posner, J.) (noting that class action defendants are "under intense pressure to settle . . . Judge Friendly, who was not given to hyperbole, called settlements induced by a small probability of an immense judgment in a class action 'blackmail settlements'"). *See also* S. Rep. No. 109-14, at 20 (2005), reprinted in 2005 U.S.C.C.A.N. 11, 21 ("Hence, when plaintiffs seek hundreds of millions of dollars in damages, basic economics can force a corporation to settle the suit, even if it is meritless and has only a five percent chance of success. Not surprisingly, the ability to exercise unbounded leverage over a defendant corporation and the lure of huge attorneys' fees have led to the filing of many frivolous class actions."); *Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 740 (1975) (even a weak securities fraud complaint "has a settlement value to the plaintiff out of any proportion to its prospect of success at trial"). Thus, both *Basic* and *Stoneridge* support consideration of loss causation at the class certification stage.

II. LOSS CAUSATION IS ALSO PERTINENT TO THE CLASS CERTIFICATION ISSUES OF CLASS PERIOD AND MANAGEABILITY.

Loss causation is not only relevant at the class certification stage to the fraud-on-the-market presumption. Loss causation is also independently relevant to other class certification issues: (i) *class definition* -- whether the putative class period has an identifiable end; and (ii) *manageability* -- whether, where there are allegedly multiple successive corrective events and corresponding price drops, a broad plaintiff class would be unmanageable.

A. Loss Causation is Essential to Class Period Issues.

Loss causation is essential to deciding the class certification issues of class definition and class period. Fed. R. Civ. P. 23(c)(1)(B) provides that "an order that certifies a class action *must define the class*, and the class claims, issues, or defenses." Under Rule 23(c)(1)(B), the order certifying a class "must include (1) a *readily discernible, clear, and precise statement of the parameters defining the class or classes to be certified*, and (2) a readily discernible, clear, and complete list of the claims, issues or defenses to be treated on a class basis." *Wachtel v. Guardian Life Ins. Co. of Am.*, 453 F3d 179, 187-188 (3rd Cir. 2006)(emphasis added); *see also In Re Pharm. Indus. Average Wholesale Price Litig.*, 588 F.3d 24, 39 (1st Cir. 2009) ("Rule 23(c)(1)(B) explains the contents of a certification order: the order *must clarify and detail the identity of a class* and the class

claims, issues, or defenses in a class action")(emphasis added). Indeed when a class is certified under 23(b)(3), the court must provide class members with "the best notice that is practicable under the circumstances" which must "clearly and concisely state," among other things, "(i) the nature of the action; (ii) *the definition of the class certified*; [and] (iii) the class claims, issues, or defenses." Fed. R. Civ. P. 23(c)(2)(B)(emphasis added).

A class cannot be defined without identifying the class period – when the plaintiff class begins and *ends*. *See In re Omnicom Group, Inc. Sec. Litig.*, No. 02 Civ. 4483, 2007 WL 1280640, *3 (S.D.N.Y. April 30, 2007) (class certification "concerns definition of the specific class, such as class claims, issues, defenses, and *the specific time period that the class covers*")(emphasis added). In a Rule 10b-5 class action, the class period begins with the first material misrepresentation or omission and ends when the market is "cured," – *i.e.*, "when the full truth has been disclosed to the market and the natural market forces have had a reasonable period of time to receive, digest and reflect the bad news in the market price of the security." *In re Oxford Health Plans, Inc. Sec. Litig.*, 191 F.R.D. 369, 378 (S.D.N.Y. 2000); *see also In re Fed. Nat'l Mortgage Ass'n Sec. Litig.*, 247 F.R.D. 32, 38-40 (D.D.C. 2008) (ending class period on date defendant disavowed financial statements causing a significant price drop); *In re Ribozyme Pharm., Inc. Sec. Litig.*, 205 F.R.D. 572, 579 (D. Colo. 2001) (class period ends when "curative information is publicly announced or otherwise effectively disseminated into the market"); *In re Sun Microsystems, Inc. Sec. Litig.*, No. C-89-20351-RPA,

1990 WL 169140, at *8 (N.D. Cal. Aug. 20, 1990) (the class period ends when "completely" "curative information is publicly announced or otherwise effectively disseminated").

Identifying the end of the class period requires identifying the curative event that effected a complete cure of the market price. That is also a loss causation issue. *See Dura*, 544 U.S. at 344 ("a person who misrepresents the financial condition of a corporation in order to sell its stock *becomes liable to a relying purchaser 'for the loss' the purchaser sustains 'when the facts . . . become generally known' and 'as a result' share value 'depreciate[s]'*") (emphasis added); Steven Serajeddini, *Note, Loss Causation and Class Certification*, 108 MICH. L. REV. 255, 269 (2009) ("[b]ecause loss causation defines the class, and the plaintiff bears the burden of showing that a class satisfies Rule 23, the plaintiff must demonstrate loss causation at class certification"). Where there is never a price drop resulting from a curative event, an end point for the class period cannot be identified and class certification must be denied.

This is illustrated by *In re Credit Suisse First Boston Corp. (Lantronix, Inc.) Analyst Sec. Litig.*, 250 F.R.D 137, 148 (S.D.N.Y. 2008). In *Lantronix*, plaintiffs alleged that a stock analyst's reports violated Rule 10b-5 because they touted the company's stock as a buy even though the analyst held unexpressed reservations about the company. At the class certification stage, Plaintiffs argued that the class period ended on September 12, 2002, when the New York Times ran an article revealing that the

analyst had "advised investors to buy shares of a company that he acknowledged in an email message were unworthy of purchase," and pointed to a significant drop in the company's stock price on the same day. 250 F.R.D. at 139. After analyzing the likely causes of the drop in the company's stock price on that day, the court declined to certify the class because other bad news about the company was released for the first time on September 12, 2002 that, the court determined, was the more likely cause of the decline in market price on that day. *Id.* 149. Consequently, the trial court found that there was "insufficient evidence of market impact at the close of the Class Period" to end the class period and denied class certification. *Id.* at 148. *Lantronix* illustrates that the need to define and end a class period provides an independent basis to consider loss causation when a 10b-5 plaintiff seeks class certification.

B. Loss Causation Is Also Pertinent To Determining Whether A Proposed Plaintiff Class Action is Manageable.

Fed. R. Civ. P. Rule 23(b)(3)(D) expressly requires courts to consider "the likely difficulties in managing a class action" as part of the class certification determination. *See Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 164 (1974) (noting that the manageability requirement "encompasses the whole range of practical problems that may render the class action format inappropriate for a particular suit"). A class should only be certified where "a class action would achieve economies of time, effort, and

expense, and promote . . . uniformity of decision as to persons similarly situated, without sacrificing procedural fairness or bringing about other undesirable results." *Amchem Prods.*, 521 U.S. at 615 (quoting Advisory Committee Notes to the 1966 Rule 23 amendments). In a fraud-on-the-market case, courts may properly consider loss causation during the class certification stage in order to determine whether a broad plaintiff class is manageable, efficient, and fair.

For example, in a case where multiple curative events allegedly occurred over a period of time, the certification of a single broad plaintiff class may be unmanageable and inefficient. Purchasers and sellers of the stock at different times will have different reliance and loss causation issues, which is certainly pertinent to the predominance and manageability requirements. *See* John C. Coffee, Jr. *Securities Litigation: The Year Ahead*, 245 N.Y.L.J. 5 (Jan. 20, 2011) ("in a case where there was a multi-year class period and where multiple statements were alleged to be inaccurate and multiple corrective disclosures were made, the market's response to each such corrective disclosure represents a distinct issue for purposes of Rule 23(b)(3)'s predominance [requirement]").

Indeed, if a class were certified in such circumstances, conflicts may well emerge among subgroups who sold their stock at various points in time throughout the class period. Some will have sold before any curative events occurred, some before curative events were complete, some after all curative events had been absorbed by the market,

and some will never have sold. Inter-class conflicts could exist, for example, as to how fairly to divide any settlement proceeds. Such potential conflicts are relevant to whether a broad plaintiff class is unmanageable or inefficient. *See Amchem Prods.*, 521 U.S. at 626 (affirming denial of class certification where, among other things, "the interests of those within the single class are not aligned").

Rule 23(c)(5) permits, "[*w*]*hen appropriate*, a class [to] be divided into subclasses that are each treated as a class under this Rule." Fed. R. Civ. P. 23(c)(5). *See e.g.*, *Ohman v. Kahn*, No. 87 Civ. 7117, 1990 U.S. Dist. LEXIS 7781, *4-5 (S.D.N.Y. June 27, 1990) (creating three subclasses based on when class members purchased their shares). But a proposed class action that might need multiple subclasses – and thus, multiple sets of attorney fees in the event of a settlement or judgment for plaintiff – would be less manageable and efficient than the typical class action that has no subclasses. A trial court should thus consider whether loss causation-related differences among subgroups within a broad class renders a proposed class unmanageable, inefficient, or unfair.

CONCLUSION

The decision of the court of appeals should be affirmed.

Respectfully submitted,

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March 31, 2011

AMICUS CURIAE BRIEF

No. 09-1403

In The Supreme Court of the United States

ERICA P. JOHN FUND, INC. F/K/A ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND,
Petitioner,

v.

HALLIBURTON CO. AND DAVID J. LESAR,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF DRI—THE VOICE OF THE DEFENSE BAR AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICUS CURIAE*[1]

Amicus curiae DRI—the Voice of the Defense Bar is an international organization that includes more than 23,000 attorneys involved in the defense of civil litigation. DRI is committed to enhancing the skills, effectiveness, and professionalism of defense attorneys. Because of this commitment, DRI seeks to address issues germane to defense attorneys, to promote the role of the defense lawyer, to improve the civil justice system, and to preserve the civil jury system. DRI has long been a voice in the ongoing effort to make the civil justice system more fair, efficient, and — where national issues are involved — consistent.

To promote these objectives, DRI participates as *amicus curiae* in cases raising issues of importance to its members, their clients, and the judicial system. This is just such a case, because DRI members are frequently involved as counsel in securities-fraud litigation.

In *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007), the Fifth Circuit properly applied the efficient-capital-markets hypothesis to hold that securities-fraud plaintiffs

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[1] Pursuant to Supreme Court Rule 37.6, *amicus curiae* states that no counsel for any party authored this brief in whole or in part and that no entity or person, aside from *amicus curiae*, its members, and its counsel made any monetary contribution towards the preparation and submission of this brief. Pursuant to Supreme Court Rule 37.3(a), *amicus curiae* certifies that counsel of record for both parties have filed letters with the Clerk giving blanket consent to the filing of *amicus* briefs.

seeking class certification based on *Basic*'s presumption of reliance must show that the alleged misrepresentation actually affected the market price of the stock. In contrast, Petitioner's proposed rule would permit class certification even in the face of evidence that the alleged misrepresentation did *not* affect the stock price. The Court should affirm the decision below.

INTRODUCTION AND SUMMARY

Under a traditional Rule 23 analysis, securities-fraud suits would not be subject to class certification because individual issues of reliance would predominate over common issues. But this Court in *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988), approved the use of a rebuttable presumption of reliance to make class certification possible. Many of Petitioner's (and the supporting *amici*'s) arguments misapprehend the nature of that rebuttable presumption, which is a presumption of reliance, not a presumption that the alleged misrepresentations affected the market. And the presumption of reliance is reasonable only if (1) the market is efficient and (2) the misrepresentation actually affected the market price. 485 U.S. at 247-48. If the misrepresentation did not actually move the market, then there is no reasonable basis to presume reliance. *Basic* cannot be read to allow a presumption of reliance based solely on evidence of general market efficiency.

Moreover, Petitioner (and its supporting *amici*) misunderstand the rule articulated in *Oscar* and applied in this case. The Fifth Circuit's rule is the logical result of the reasoning in *Basic* and a

straightforward application of Rule 23. If plaintiffs cannot present evidence that the alleged misrepresentation actually affected the stock price, then they cannot invoke *Basic*'s presumption of reliance. And if plaintiffs cannot invoke that presumption, then class-certification is not appropriate. Therefore, the correct standard is the one applied by the Fifth Circuit here and in *Oscar*, not the Seventh Circuit's standard in *Schleicher v. Wendt*, 618 F.3d 679 (7th Cir. 2010).

ARGUMENT

A. A showing of actual market movement is required to invoke *Basic*'s rebuttable presumption of reliance in a defrauded-buyer case.

The Court in *Basic* stated that reliance "provides the requisite causal connection between a defendant's misrepresentation and a plaintiff's injury" in securities-fraud cases. *Basic, Inc. v. Levinson*, 485 U.S. 224, 243 (1988). But if each member of a proposed class had to prove reliance, then individual issues would "overwhelm[]" common issues, and class certification would be improper. *Id.* To overcome this hurdle to class certification, securities-fraud plaintiffs generally try to invoke the rebuttable presumption of reliance based on the efficient-capital-markets hypothesis that the Court first approved in *Basic*. *Id.* at 250.[2] In approving the use of the

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[2] The rebuttable presumption of reliance is sometimes referred to as the "fraud-on-the-market presumption." *E.g.*, *Teamsters Local 445 Freight Div. Pension Fund v. Bombardier Inc*, 546 F.3d 196, 199-200 (2d Cir. 2008); *Binder v. Gillespie*,

rebuttable presumption, the Court relied on a description of the efficient-capital-markets hypothesis from an opinion that Judge Higginbotham authored as a district court judge. *Id.* at 244 (quoting *In re LTV Sec. Litig.*, 88 F.R.D. 134, 143 (N.D. Tex. 1980) (Higginbotham, J.)).

The efficient-capital-markets hypothesis postulates that, in an efficient market, the price of a security will reflect all material, publicly available information. *Basic*, 485 U.S. at 241-42. The hypothesis can therefore support a rebuttable presumption that market participants relied on all material, publicly available information, including the alleged misrepresentations. *Id.* In essence, *Basic*'s rebuttable presumption of reliance is an accommodation that allows securities-fraud plaintiffs to obtain class certification where it would otherwise be impossible.

The Court in *Basic* recognized that the presumption of reliance could be rebutted by "*any showing* that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff or his decision to trade at a fair market price." *Id.* at 248 (emphasis added). The Court cited several examples of evidence that would rebut the presumption, including evidence that the misrepre-

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184 F.3d 1059, 1064 (9th Cir. 1999); *Ockerman v. May Zima & Co.*, 27 F.3d 1151, 1158 (6th Cir. 1994), Petitioner's Br. at 23. But this phrase is a misnomer, because it suggests that the presumption at issue relates to the impact of the alleged misrepresentations on the market. A better short-hand reference is "presumption of reliance" because it more accurately describes what has to be presumed in order to make the requisite causal connection

sentation did not affect the market price, evidence that the truth entered the market and dissipated the effect of the misrepresentation, and evidence that plaintiffs acted without relying on the integrity of the market. *Id.* at 248-49.

The plaintiffs in *Basic* were allegedly defrauded sellers of stock. *Id.* at 227-28. Since the market was efficient, under the efficient-capital-markets hypothesis, it could be presumed that the proposed class members sold their shares at a price that was based at least in part on the denials that merger discussions were taking place. *Id.* at 247. This presumption provided the causal link between the alleged misrepresentations and the plaintiffs' injuries. As articulated by the Court's earlier decision in *Affiliated Ute Citizens v. United States*, an allegedly defrauded seller's injury is the difference between the price received and the "fair value of what ... would have been received had there been no fraudulent conduct ...." 406 U.S. 128, 155 (1972). Therefore, the presumption that the plaintiffs sold their stock based on the defendants' misrepresentations links those misrepresentations to the injury. And the presumption could be rebutted by any showing that severed the link between the misrepresentation and that injury.

Here, and in *Oscar*, the plaintiffs were allegedly defrauded buyers, not sellers. *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 597 F.3d 330, 334 (5th Cir. 2010); *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261, 263 (5th Cir. 2007). Under the Private Securities Litigation Reform Act (PSLRA) and *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336

(2005), an allegedly defrauded buyer's injury is different than an allegedly defrauded seller's. Merely purchasing the stock at an inflated price is not sufficient to show injury. In cases involving allegedly defrauded buyers, there is a separation between the time the investor acts and the time the relevant economic loss is measured. While the Court did not purport to comprehensively address proximate cause or loss causation in *Dura*, the Court specifically held that an "'artificially inflated purchase price' is not itself a relevant economic loss." 544 U.S. at 346. The rationale for the Court's ruling was that at best "the higher purchase price will *sometimes* play a role in bringing about a future loss." *Id.* at 343. Instead, the relevant economic loss cannot be measured until at least after the "truth" is revealed to the market. *Id.*

In other words, in cases involving allegedly defrauded buyers, the presumption of reliance is that the class members purchased stock in reliance on the integrity of the market, but the market price was inflated by the misstatements. To complete the required causal connection between the alleged misstatements and the plaintiffs' injuries, the class members must have then continued to rely on the integrity of the market while holding the stock. They then suffer a loss when the truth enters the market and the market price declines.

Therefore, in cases of allegedly defrauded buyers, the required causal connection between the misrepresentation and a plaintiff's injury must extend beyond a plaintiff's decision to purchase the stock. It must also encompass the plaintiff's participation in the market through the time that the plaintiff suf-

fers an economic loss as defined in *Dura*. As a result, the efficient-market hypothesis can support the presumption of reliance only if: (1) the market is continuously efficient from the time of the purchase at the inflated price until the relevant economic loss is sustained; and (2) there is a market loss at the time the truth is revealed.

The first point is obvious. Normally in an efficient market, there will be both a statistically significant stock price increase in response to a material misstatement and a statistically significant stock price decrease when the market learns the truth. For the requisite causal connection to exist, the misstatement must continue to affect the efficient market's price for the stock until the sale or other disposition occurs and the plaintiff sustains an economic loss.

The second point is less obvious. In an efficient market, proof that revelation of the truth actually caused a stock price decrease establishes that the prior misstatement still is material and has caused a market loss. But it also establishes (or confirms) that the misstatement artificially inflated (or propped up) the stock price in the first place. If, however, there is no adverse market reaction to the revelation of the truth, then the causal connection has been broken, because there is no basis to presume that the misstatement caused any actual economic loss to the proposed class members. Under those circumstances, applying the presumption would directly contradict the efficient-capital-markets hypothesis on which it is based.

B. The Fifth Circuit cases applying the presumption of reliance are consistent with *Basic*, the PSLRA, and *Dura*.

1. In *Nathenson*, the Fifth Circuit correctly held that the presumption of reliance is not applicable unless the alleged misrepresentations actually affected the stock price.

In *Nathenson v. Zonagen, Inc.*, a case involving allegedly defrauded buyers that predates *Dura*, the Fifth Circuit addressed the need to show that the alleged misrepresentation affected the market price. 267 F.3d 400 (5th Cir. 2001). There, the defendants asserted that the presumption of reliance based on the efficient-capital-markets hypothesis was improper because the alleged misrepresentations did not cause the stock price to increase. *Id.* at 413. The district court agreed, reasoning that because the alleged misrepresentations did not impact the stock price, they were immaterial and plaintiffs did not rely on them. *Id.* at 414. This reasoning was based, in part, on the Third Circuit's opinion in *In re Burlington Coat Factory Securities Litigation*, 114 F.3d 1410 (3d Cir. 1997) (Alito, J.).

The Fifth Circuit generally agreed with the Third Circuit's reasoning about the importance of impact on the stock price. 267 F.3d at 414-15. But the Fifth Circuit concluded that the reasoning applied more appropriately to reliance than to materiality. *Id.* at 415. The Fifth Circuit reasoned that "[i]f the market price was not actually affected by the statement, reliance on the market price does not *of itself* become reliance on the statement." *Id.* at 419 (emphasis in

original). Therefore, if "the information in question did not affect the price of the stock then the district court may properly deny fraud-on-the-market based recovery." *Id.* at 415.

Significantly, the Fifth Circuit further recognized that a fraudulent misstatement might not always cause an increase in the stock price:

> For example, if the market believes the company will earn $1.00 per share and this belief is reflected in the share price, then the share price may well not change when the company reports that it has indeed earned $1.00 per share even though the report is false in that the company has actually lost money (presumably, when that loss is disclosed the share price will fall).

Id. at 419. Because there were no such allegations in *Nathenson*, the Fifth Circuit did not explore the issue further. *Id.* ("[N]o such special circumstance is alleged or even hinted at here.").

2. In *Greenberg*, the Fifth Circuit explained how a securities-fraud plaintiff can invoke the presumption by showing that the efficient market reacted when the truth became public.

Three years later, the Fifth Circuit did address the "special circumstance" identified in *Nathenson*. Seeking to apply the presumption of reliance, the plaintiffs in *Greenberg v. Crossroads Systems, Inc.* attempted to show that the alleged misrepresentations fraudulently inflated the stock price by

relying on a decrease in the stock price when the alleged truth was revealed. 364 F.3d 657, 660 (5th Cir. 2004). The Fifth Circuit observed that impact on stock price "ordinarily" has been shown by an increase in price after the misrepresentation was made. *Id.* at 665. The court also observed that impact also can be shown inferentially by a decrease in the stock price when the alleged truth was revealed. *Id.* But the inference of impact does not attach to all negative information.

Instead, such an inference is warranted only where the misrepresentation "was related to the statement causing the decrease." *Id.* Otherwise, "the invocation of the presumption of reliance would be based solely on speculation." *Id.* In sum, the court held that

> in order to show that a stock's price was actually affected through evidence of a significant price decrease following the revelation of the alleged "truth" of earlier false statements, plaintiffs must demonstrate: (1) that the negative "truthful" information causing the decrease in price is related to an allegedly false, non-confirmatory positive statement made earlier and (2) that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline.

Id. at 666.

This reasoning is consistent with the efficient-market hypothesis and with *Basic*'s recognition that

the fraud-on-the-market theory can apply only when the alleged misrepresentation affected the stock price. When plaintiffs choose to rely on inference rather than on direct evidence of such impact, the inference should be reasonable. And if the negative information is not related to the alleged prior misrepresentation, then there can be no reasonable inference that the misrepresentation affected the stock price.

3. In *Unger*, the Fifth Circuit held that securities-fraud plaintiffs seeking class certification must produce evidence of their entitlement to the presumption of reliance.

One year after *Greenberg*, the Fifth Circuit addressed the evidentiary burden on plaintiffs seeking class certification. *Unger v. Amedisys, Inc.*, 401 F.3d 316, 321 (5th Cir. 2005). The court first noted this Court's direction that "[c]lass certification hearings should not be mini-trials on the merits of the class or individual claims." *Id.* at 321 (citing *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 177-78 (1974)). But the Fifth Circuit also observed that "[t]he plain text of Rule 23 requires the court to 'find,' not merely assume, the facts favoring class certification." *Id.* (quoting Fed. R. Civ. P. 23(b)(3)). The court also collected cases from other circuits that applied "rigorous, though preliminary, standards of proof to the market efficiency determination." *Id.* at 322 (citing cases from the Third, Fourth, Seventh, and Ninth Circuits). Therefore, the court concluded that

> When a court considers class certification based on the fraud on the market theory, it must engage in thorough analysis, weigh the relevant factors, require both parties to justify their allegations, and base its ruling on admissible evidence. Questions of market efficiency cannot be treated differently from other preliminary certification issues. Courts cannot make an informed decision based on bare allegations, one-sided affidavits, and unexplained Internet printouts.

Id. at 325.

4. In *Oscar*, the Fifth Circuit correctly applied *Basic*, *Nathenson*, *Greenberg*, and *Unger* to determine that proof of market effect is required at the class-certification stage to invoke the presumption of reliance.

In *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, the Fifth Circuit considered the presumption of reliance in a class action involving allegedly defrauded buyers in an opinion by Judge Higginbotham. 487 F.3d 261 (5th Cir. 2007) (Higginbotham, J.). At the class-certification hearing, the plaintiffs made no attempt to establish a connection between the alleged misrepresentations and their injury. *Id.* at 271. Instead, they argued that the defendants had no right to contest the applicability of the rebuttable presumption of reliance at the class certification stage. *Id.* at 269. The district court agreed, and certified the proposed class. *Id.* at 262.

The Fifth Circuit granted permission to appeal,

and rejected that argument. *Id.* at 266. The court first noted that subtle changes to Rule 23 recognized the importance of a rigorous analysis of the requirements for class certification. *Id.* at 267. Indeed, as the court observed, the notes to the 2003 amendments advise that "[a] court that is not satisfied that the requirements of Rule 23 have been met should refuse certification until they have been met." *Id.* (citing Fed. R. Civ. P. 23 Advisory Committee Notes to the 2003 Amendments). The court also noted that the adoption of the PSLRA was a "less-subtle" recognition by Congress that "a district court's certification order often bestows upon plaintiffs extraordinary leverage, and its bite should dictate the process that precedes it." *Id.*

Following the principles embodied in the amendments to Rule 23 and the PSLRA, the Fifth Circuit concluded that application of the efficient-capital-markets hypothesis *must* be addressed at the class-certification stage. *Id.* at 268. The court also concluded that because the district court has to "find" facts to support class certification, plaintiffs must prove the facts supporting entitlement to the presumption of reliance by a preponderance of the evidence. *Id.*

The Fifth Circuit then applied *Greenberg*'s holding that the presumption of reliance can be invoked only with proof of market impact. *Id.* at 266. And a decrease in stock price following the release of the negative news can show market impact only if the negative news is related to the prior alleged misrepresentation. Otherwise, under the efficient-capital-markets hypothesis, there is no basis to

presume that the misstatement affected the stock price.[3]

Applying *Unger*, the Fifth Circuit also held that the plaintiffs had a burden to establish their entitlement to the rebuttable presumption of reliance. *Id.* at 268-69. The court found that the class proponent had the burden to show market effect under *Greenberg*. *Id.* at 265. The court, however, acknowledged that often the class opponent affirmatively seeks to sever a link in the causal chain by pointing out a lack of price movement in response to a misrepresentation or by producing evidence that the alleged "corrective" disclosure was one of multiple pieces of negative news. *Id.* In either case, the presumption is rebutted "on arrival." *Id.*

The court also observed that because of the nature of the evidence related to this issue, the placement of the burden of proof makes little practical difference. *Id.* Because the focus of the inquiry is the market's reaction to information, the evidence needed for the inquiry is all publicly available. *Id.* at 271. Econometric analysis, such as

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[3] *Dura* recognized that, in a defrauded-buyer case, injury cannot be proven by evidence of price inflation alone *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 346 (2005). Although *Oscar* did not address this issue, it could be argued that evidence of price inflation alone is similarly insufficient to support a presumption of reliance. If, as the Court observed in *Basic*, reliance provides the causal link between the misrepresentation and the plaintiff's injury, then only evidence of a decrease when the "truth" is revealed can support a presumption of that link consistent with the efficient-market hypothesis.

an event study, can isolate the factors affecting the stock price. *Id.* Frequently, defendants point to an event study as evidence to sever the link between the alleged misrepresentation and the stock price. *Id.* at 265 n.22. And in response, plaintiffs then point to their own event study to refute the defendants' contentions. *Id.*

At that point, the trial court will have to decide which expert to believe, and the placement of the burden of proof makes little or no difference. If the defendant has an initial burden to rebut, then the court must decide whether to credit the defendant's expert over the plaintiff's expert. And if the plaintiff has a burden to prove market impact, then the court must decide whether to credit the plaintiff's expert over the defendant's expert. But in either case, the analysis is the same, and the placement of the burden is immaterial.

Moreover, where, as here, the parties dispute whether the negative news is even related to the prior alleged misrepresentations, the burden of proof is even less important. The relatedness requirement is important because it is relatedness that allows the court to infer from the decrease in stock price that the alleged misrepresentation affected the stock price. *Greenberg v. Crossroads Sys., Inc.*, 364 F.3d 657, 663 (5th Cir. 2004). Where the parties dispute relatedness, the court simply needs to compare the negative news to the prior alleged misrepresentation and decide whether the negative news let the market know that the prior alleged misrepresentations were false. The burden of proof makes no difference in that determination.

The Fifth Circuit also observed that virtually no discovery is needed to produce evidence of actual market impact. The efficient-market hypothesis focuses on what information was made publicly available and how the market reacted to that information. Internal company documents are irrelevant to this determination unless they were made public. *E.g.*, *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 230 (5th Cir. 2009) ("[U]ndisclosed information cannot drive down the market price of a stock."). Therefore, because all of the relevant information must be public, discovery is not necessary.

5. Summary

Oscar is the unremarkable logical result of the Fifth Circuit's application of the efficient-capital-markets hypothesis to a case involving allegedly defrauded buyers. In *Nathenson*, the Fifth Circuit observed that a decrease in stock price when the "truth" is revealed also could prove market impact. In *Greenberg*, the court recognized that the presumption of reliance can be reasonable only if corrective information that causes the subsequent price decline actually relates back to the prior misrepresentation. In *Unger*, the court recognized that the presumption of reliance cannot be applied unless the plaintiffs produce admissible evidence to support it. And in *Oscar*, the court correctly recognized that proof of market impact is necessary at class-certification to invoke the presumption of reliance. Since entitlement to the presumption is an essential prerequisite under Rule 23, the Fifth Circuit properly requires plaintiffs to prove entitle-

ment by a preponderance of the evidence at the class-certification stage.

C. Petitioner's attacks on *Oscar* miss the mark.

When *Oscar* is considered in light of its jurisprudential underpinnings, Petitioner's arguments that *Oscar* was incorrectly decided cannot withstand scrutiny. As discussed more fully below, *Oscar* does not conflict with *Basic* or *Eisen*. Nor did the Fifth Circuit engage in improper judicial legislation. *Oscar* is consistent with both the Court's jurisprudence and Congress's expressed intent regarding securities-fraud suits.

1. Petitioner and the Petitioner's *amici* misunderstand the term "loss causation" as used in *Oscar*.

As the Seventh Circuit has noted: "'Loss causation' is an exotic name – perhaps an unhappy one ... for the standard rule of tort law that the plaintiff must allege and prove that, but-for the defendant's wrongdoing, the plaintiff would not have incurred the harm of which he complains." *Bastian v. Petren Res. Corp.*, 892 F.2d 680, 685 (7th Cir. 1990) (Posner, J.). In *Oscar*, the Fifth Circuit used "loss causation" as a short-hand phrase in a specific context — to describe its requirement that a class proponent seeking to invoke the presumption of reliance in a defrauded-buyer case must prove that the misstatement affected the market price. In *Oscar*, the plaintiffs had failed to offer any proof that any portion of the stock price decrease following the 4Q01 release would not have occurred but-for the

prior positive regarding line count. 487 F.3d at 271. In using this phrase, the Fifth Circuit was not using "loss causation" in the same sense as the Court used the term in *Dura*.

In *Dura*, "loss causation" clearly refers to the plaintiffs' obligation to prove that the misrepresentation ultimately caused an actual economic loss, not just a "paper loss" when the truth became known to the market. The specific issue there was whether an allegation that the price of the security was inflated on the date of purchase was sufficient to allege that the defendant's fraud caused an economic loss to the plaintiffs. 544 U.S. at 338. The Court noted that the PSLRA "expressly imposes on plaintiffs 'the burden of proving' that the defendant's misrepresentations 'caused the loss for which the plaintiff seeks to recover.'" *Id.* at 345-46 (quoting 15 U.S.C. § 78u-4(b)(4)). The Court also observed that courts refer to this requirement as "loss causation." *Id.* at 338.

The Court concluded in *Dura* that "[n]ormally, in cases such as this one (*i.e.*, fraud-on-the-market cases), an inflated purchase price will not itself constitute or proximately cause the relevant economic loss." *Id.* at 342. Although an inflated purchase price may be a necessary condition of economic loss, it is not sufficient by itself. *Id.* at 343. Therefore, the Court required that plaintiffs plead and prove that the defendant's fraudulent conduct proximately caused "the plaintiff's economic loss." *Id.* at 346. And this showing is what the Court refers to as "loss causation" in *Dura*.

Under the same reasoning, the deflation in price

that, under the efficient-market hypothesis, will occur if the misstatement has any continuing effect when the market learns the truth will not itself constitute or proximately cause the relevant economic loss. Such a market loss may be necessary for an actual economic loss, but it is not sufficient by itself. At least for a defrauded buyer who continues to hold the security, the actual economic loss will be sustained some time later than the paper loss from the market decline.

Thus, the showing of actual economic loss described as "loss causation" in *Dura* is separate and distinct from the showing of a market loss described as "loss causation" in *Oscar*. In fact, the court in *Oscar* specifically noted "Our approach is unaffected by the Supreme Court's recent and very narrow decision in *Dura Pharms.*, 125 S. Ct. at 1627." *Id.* at 265.

Despite this distinction, Petitioner has seized on the Fifth Circuit's use of the term "loss causation" to set up a straw man. Many of Petitioner's arguments are premised on the idea that the Fifth Circuit requires proof of loss causation as that term is used in *Dura*. For example:

- "In *Oscar*, the Fifth Circuit held that securities fraud plaintiffs must prove loss causation, *i.e.*, that a defendant's alleged misrepresentations are the proximate cause of their economic loss, at class certification, to invoke the fraud-on-the-market presumption." (Petitioner's Br. at 23.)
- "Loss causation, by contrast, concerns

> whether a subsequent corrective disclosure caused plaintiffs' loss." (*Id.* at 45.)

In addition, Petitioner's repeated argument that *Oscar* imposes an additional burden at the class-certification stage is based on the assertion that "loss causation" in *Oscar* means the same thing as "loss causation" in *Dura*. (*See* Petitioner's Br. at 5, 24, 27, 32, 38, 47.) But, as discussed above, *Oscar* ties its requirement for proof of "market-loss causation" to the issue of whether any presumption of reliance can continue to supply the necessary causal link between the earlier misstatement and any actual economic loss sustained after the truth enters the market. Therefore, the Court should disregard Petitioner's arguments based on this misunderstanding of the sense in which the Fifth Circuit is using the term "loss causation" in *Oscar*.[4]

2. *Oscar* does not conflict with *Basic*.

As detailed in Part B above, *Oscar* is the logical result of the Court's decision in *Basic*, and the application of its principles in subsequent Fifth Circuit cases. Most of Petitioner's arguments about ways that *Oscar* allegedly conflicts with *Basic*

---

[4] Petitioner and some *amici* appear to suggest that the Fifth Circuit is unaware of the distinction between reliance (or transaction causation) and loss causation. Any such suggestion is ludicrous. Judge Patrick Higginbotham authored the *Oscar* opinion. He has written extensively on securities issues in prior opinions, and in scholarly publications. In its discussion of the efficient-market hypothesis, the Court in *Basic* quoted Judge Higginbotham's 1980 opinion in *In re LTV Securities Litigation*, 88 F.R D. 134 (N.D. Tex. 1980). 485 U.S. at 244.

collapse when they are analyzed with the proper understanding of "loss causation" as *Oscar* uses that term. *Oscar* simply ensures that the actual market events through the time the truth enters the market are consistent with the efficient-market hypothesis that underlies the presumption of reliance. If they are not, then there is no basis for continuing to presume that an allegedly defrauded buyer is relying on a tainted market. Petitioner's arguments that *Oscar* is inconsistent with *Basic* fail for at least three reasons.

First, Petitioner appears to misunderstand the nature of the presumption in *Basic*. Petitioner claims that the Fifth Circuit's rule subverts the fraud-on-the-market theory by "requiring the plaintiffs to prove, as a pre-condition to application of the presumption, the very facts that are to be presumed under *Basic*." (Petitioner's Br. at 33 (quoting the dissent in *Oscar*).) The presumption in *Basic* is not that the misrepresentation affected the market price. Rather, *if* the misrepresentation affected the efficient market's price, then it is presumed that plaintiffs relied on the misrepresentation in participating in the market. *Stoneridge Inv. Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008); *Basic*, 485 U.S. at 247-48. Conversely, if the misrepresentation did not affect the efficient market's price, then there is no basis to use the presumption of reliance to make a causal connection between the misrepresentation and the plaintiff's injury. Therefore, *Oscar* simply requires that plaintiffs show that the presumption is warranted by showing that the alleged misrepresentation affected the market price of the securities at issue.

Second, Petitioner's argument that there is no justification for requiring proof of market impact ignores an essential element of the fraud-on-the-market theory. Petitioner claims that the presumption of reliance can be invoked simply by showing general market efficiency. (Petitioner's Br. at 40-41.) But the efficient-market hypothesis underlying the presumption of reliance predicts that the alleged misrepresentation will cause a market decline when the truth enters the market if it continues to affect the defrauded buyer's stock. The fact that a decline attributable to the misstatement does not occur eliminates the justification for applying the presumption. *Stoneridge*, 552 U.S. at 159; *Basic*, 485 U.S. at 248.

As the court observed in *Oscar*, the fraud-on-the-market theory rests on the "semi-strong efficient-market hypothesis." 487 F.3d at 269. The semi-strong efficient-market hypothesis posits that "the collective action of a sufficient number of market participants buying or selling stock causes a very rapid, if not virtually instantaneous, adjustment in price." Daniel R. Fischel, *Use of Modern Finance Theory in Securities Fraud Cases Involving Actively Traded Securities*, 38 Bus. Law. 1, 10 (1982-83).

If the release of the alleged "truth" does not cause a stock price decline, there are three possible explanations. First, the prior alleged misrepresentation may not have been material. *Oscar*, 487 F.3d at 269. Second, it may be that the market is not efficient as to that information, even though the other relevant indicia support a finding that the market is generally efficient. *Id.* Third, it may be that the market is "strong-form efficient" as to that

information. *Id.* When a market is strong-form efficient, the price reflects not only public information but also insider information. *Id.*

Each of these three scenarios is inconsistent with the justification for applying a presumption of reliance. If the information was immaterial, then no one could have relied on it. *Basic*, 485 U.S. at 248 n.27 (noting that one requirement of the fraud-on-the-market theory is the existence of a public, material misrepresentation). If the market is not efficient as to the information at issue, then there is no basis to presume that buyers and sellers were relying on that information when participating in the market. Finally, if the market is strong-form efficient, then there is no basis to presume that market participants were relying on *public* information. Therefore, by requiring plaintiffs to prove a market impact, *Oscar* simply ensures that any presumption of reliance applied is consistent with the efficient-capital-markets hypothesis.

Third, Petitioner claims that *Basic* holds that the presumption can be rebutted only at the time of trial. (Petitioner's Br. at 24.) In support of this assertion, Petitioner relies on footnote 29 in *Basic*. (*Id.*) But footnote 29 suggests only that the time of trial is one possible time at which the presumption can be rebutted. *Basic*, 485 U.S. at 249 n.29. The Court noted that the district court retains the ability to amend the certification order as may be appropriate. *Id.* (citing Fed. R. Civ. P. 23(c)(1) and (c)(4)). But nothing in Rule 23 requires that such amendments can only be made at the time of trial. Fed. R. Civ. P. 23(c)(1)(C). Rather, they can be made

at any time that a party presents evidence to support them. *Id.* ("An order that grants or denies class certification may be altered or amended before final judgment."). Therefore, *Oscar* is not inconsistent with *Basic* in holding that the presumption can be rebutted at the class-certification stage if the evidence does not support the application of the presumption of reliance.

3. *Oscar* does not conflict with *Eisen*.

Petitioner also argues that *Oscar* conflicts with the Court's decision in *Eisen v. Carlisle & Jacquelin*, in which the Court held that Rule 23 does not permit a preliminary inquiry into the merits of the plaintiffs' claims. 417 U.S. 156, 177 (1974). Petitioner concedes, as it must, that *Eisen* has been interpreted to mean that merits inquiry is not foreclosed if it is necessary to determine whether the requirements of Rule 23 have been met. (Petitioner's Br. at 47 (citing *In re Initial Pub. Sec. Offerings Litig.*, 471 F.3d 24, 41 (2d Cir. 2006)).) Therefore, Petitioner's argument that *Oscar* conflicts with *Eisen* is premised on the assumption that there is no relationship between the causal connection the presumption of reliance is being used to make and *Oscar*'s requirement of showing a market impact.

That assumption is faulty because *Oscar*'s requirement of a market loss is part of the fraud-on-the-market analysis, which, in turn, is part of the Rule 23 analysis. There is no dispute that entitlement to the presumption of reliance based on the efficient-market hypothesis is a critical part of the Rule 23 analysis. The presumption of reliance allows

plaintiffs to meet the predominance requirement for class certification. *See* Fed. R. Civ. P. 23(b)(3). In the absence of the presumption of reliance, there would have be an individual inquiry to establish each proposed class member's reliance and class certification would be improper. *Basic*, 485 U.S. at 242.

As discussed in detail above, *Oscar*'s rule is inextricably related to the justification for the presumption that the allegedly defrauded buyers relied on the price set by an efficient, but tainted market. If there is no market movement attributable to the misstatement, there is no basis for applying the presumption to a set of events that are inconsistent with it. And without the presumption of reliance, the requirements of Rule 23 cannot be met. Therefore, *Oscar* does not conflict with *Eisen*. *See also Unger*, 401 F.3d at 325.

Petitioner also argues that because determination of whether the alleged misstatement caused all or part of a later market loss is a common issue, it should not be considered at the class-certification stage. But as shown above, the requirements of Rule 23 cannot be satisfied without the presumption of reliance. Therefore, even if market loss is a common issue, it still must be considered and decided at the class-certification stage in order to determine whether the presumption of reliance can be used to satisfy Rule 23's predominance requirement. Otherwise class certification is improper.

Petitioner also claims that plaintiffs cannot make the showing required by *Oscar* without merits discovery. (Petitioner's Br. at 52-56.) This is factually incorrect. As *Oscar* explicitly demonstrated, proof

that the alleged misrepresentation affected the market price will require only publicly available information. *Oscar*, 487 F.3d at 267. Petitioner claims that merits discovery would have permitted it to "look behind" the public disclosures. (Petitioner's Br. at 53.) But the market-loss inquiry is concerned only with the efficient market's reaction to what was known to the efficient market. *Oscar*, 487 F.3d at 267. Under the efficient-market hypothesis, internal company information, or other information not known to the efficient market, could not have impacted how the market reacted to the revelation of the truth. *E.g.*, *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 230 (5th Cir. 2009) ("[U]ndisclosed information cannot drive down the market price of a stock."). There is no basis for Petitioner's claim that this type of merits discovery would be relevant to the but-for inquiry on "market-loss causation."

Petitioner stretches *Oscar* beyond its breaking point to argue that the Fifth Circuit requires proof of scienter at the class-certification stage. (Petitioner's Br. at 53-54.) Nothing in *Oscar* requires proof that the defendants were aware of the falsity of the alleged prior misrepresentations. Again, the focus is on the market's reaction to the negative news, and whether but-for the alleged prior positive misrepresentations, that negative reaction would have occurred. Whether the prior statements were made with scienter has nothing to do with *Oscar*'s requirement to show that the alleged misrepresentation caused a market loss.

In sum, *Oscar*'s "market-impact" causation

requirement is directly tied to the justifications underlying the presumption that defrauded buyers were relying upon the price set by an efficient, but tainted market. If there is no market movement attributable to the alleged misstatement, there is no justification for presuming that but-for their misguided reliance on the integrity of the efficient market, the defrauded buyers would not have sustained an actual economic loss. Since absence of market movement when the truth enters the efficient market is directly contrary to the efficient-market hypothesis, *Oscar*'s requirement is consistent with *Basic*, *Dura*, and Rule 23.

4. *Oscar* is not impermissible judicial legislation.

Petitioner concludes its brief by arguing that the Fifth Circuit invaded Congress's prerogative to "calibrate" class-certification Rules. (Petitioner's Br. at 57-67.) But this argument is infected by the same misunderstandings and faulty assumptions that doom Petitioner's other arguments. Petitioner's arguments are premised on its assertion that the rule in *Oscar* is not consistent with Rule 23. As shown above, *Oscar* is simply an application of the principles underlying the presumption of reliance as they apply to claims by allegedly defrauded buyers. Because *Oscar* is consistent with Rule 23, Petitioner's claims of improper "amendment" or "recalibration" are unfounded.

Petitioner's specific arguments fail for additional reasons, as well. Petitioner first claims that the Fifth Circuit improperly injected policy considerations into

its analysis. (Petitioner's Br. at 57.) But, as discussed more fully above, the policy considerations that the Fifth Circuit identified are those reflected in Congressional actions regarding Rule 23 and the PSLRA. (*See* page 14, above.) The Fifth Circuit was simply acknowledging and furthering the policies identified by Congress.

Petitioner next claims that *Oscar* improperly recalibrated the requirements for a securities-fraud case to be certified as a class action because that may only be done by Congress. (Petitioner's Br. at 60.) This argument ignores the fact that it was the courts, not Congress, that approved the presumption of reliance based on the fraud-on-the-market theory. As discussed above, the judicially created presumption of reliance allows cases to proceed as class actions that otherwise would not satisfy the requirements of Rule 23. (*See* pages 3-4, above.) And because the rule in *Oscar* is consistent with this Court's class-action jurisprudence, there is nothing improper about the development of class-action law in the Fifth Circuit.

Petitioner also attempts to invoke plaintiffs' right to a jury trial under the Seventh Amendment. (Petitioner's Br. at 62.) But this right is not implicated because, as shown above, the rule in *Oscar* is simply part of the Rule 23 analysis. And there is no right to a jury trial on whether the requirements of Rule 23 have been satisfied. Fed. R. Civ. P. 23(b)(3) (providing that class certification is appropriate if "the court finds" that the requirements are met). And the standard of proof is immaterial to this analysis because all of the

requirements of Rule 23 must be established by a preponderance of the evidence. *See In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 320 (3d Cir. 2008); *Teamsters Local 445 Freight Div. Pension Fund v. Bombardier Inc.*, 546 F.3d 196, 202 (2d Cir. 2008); *Oscar*, 487 F.3d at 267-269.

Petitioner's final argument is simply a complaint that the standard in *Oscar* is difficult to satisfy. (Petitioner's Br. at 66-67.) As shown above, *Oscar* simply requires plaintiffs to show that the presumption should be applied. The fact that this showing may be difficult in some cases is no reason for the Court to further lower a bar already lowered by allowing use of the presumption of reliance to satisfy the predominance requirement in Rule 23. Without any valid policy justification, Petitioner, in effect, seeks the recognition of a completely new presumption — a conclusive presumption of market impact through the class certification stage. This would facilitate precisely the type of litigation abuse that was an unintended result of *Basic* and that the PSLRA sought to eradicate.

D. The Seventh Circuit's simplistic approach in *Schleicher* fails to rigorously analyze whether the presumption of reliance makes the necessary causal link between the misstatements at issue and the economic loss claimed.

Petitioner repeatedly points to the Seventh Circuit's recent opinion in *Schleicher v. Wendt*, 618 F.3d 679 (7th Cir. 2010), as a contrast to *Oscar* on the proper approach to certification of a class of allegedly

defrauded buyers. (Petitioner's Br. at 29, 31, 41, 44, 61, 67.) *Schleicher* expressly disavows the Fifth Circuit's approach in *Oscar*, and holds that a class proponent need show only general market efficiency at the time of purchase to invoke the presumption of reliance. *See* 618 F.3d at 684 ("Conseco was a large, well-followed firm, whose stock traded actively in a liquid market. It comfortably meets *Basic*'s requirements.") Under the Seventh Circuit's approach, any consideration of whether the alleged misrepresentation actually produced movement in the generally efficient market is a merits inquiry *prohibited* at the class certification stage. *See* 618 F.3d at 686-87 ("The chance, even the certainty, that a class will lose on the merits does not prevent its certification.").[5]

As discussed above, absent actual impact on the stock price, the presumption of reliance cannot supply the requisite but-for causal connection between the alleged misrepresentation and the actual economic loss. *Schleicher* acknowledges that "[w]hen an unduly optimistic false statement causes a stock's price to rise, the price will fall again when the truth comes to light." 618 F.3d at 683. But the opinion

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[5] *Schleicher* also rejects the approaches of the First and Second Circuits that have required a showing of market impact at the class certification stage in analyzing the materiality element of a 10b-5 claim. 618 F.3d at 687. Curiously, *Schleicher* references the Third Circuit's decision in *In re Burlington Coat Factory Securities Litigation*, 114 F.3d 1410, 1419 n.8 (3d Cir. 1997) (Alito, J.) as support for its position on materiality. In *Oran v. Stafford*, 226 F.3d 275, 282 (3d Cir. 2000), the Third Circuit found that the *Burlington Coat* requirement for a showing of market movement applied in the class-action context.

ignores the converse. If the price does not fall when the truth comes to light, then the effect, if any, that the unduly optimistic false statement had on the market price has been dissipated. The buyer is continuing to rely on the market to set the price, but the market is no longer tainted by the misrepresentation. Thus, the presumption of reliance no longer makes the requisite causal link for the proposed class members. The class proponent then cannot show entitlement to the presumption, or the presumption has been rebutted. By ignoring this essential element, *Schleicher* conflicts with *Basic* and *Stoneridge*. *Stoneridge Inv. Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008); *Basic*, 485 U.S. at 248.

Schleicher also makes the bald statement that "person-specific issues" that determine "how much a given investor lost (or gained) as a result of the fraud" are issues that "can be resolved mechanically" by a computer. 618 F.3d at 681. This is clearly incorrect. As discussed above, *Dura* does not define a precise measure of damages for a defrauded buyer's 10b-5 claim, but the decision does make clear that the "relevant economic loss" is not the amount of inflation at the time of purchase or the "paper loss" in response the revelation of the truth. *Dura*, 544 U.S. at 343-44. The original purchase prices and quantities for proposed class members presumably are susceptible of mechanical calculation by a computer. But given the myriad of factors affecting price, and the myriad of factors involved in the individual decisions to sell, a mechanical calculation of the continuing effect, if any, of the fraudulent statement on the stock price for shares held by proposed class

member after the truth becomes known is simply not possible.

Many of *Schleicher*'s criticisms are the same as those raised by Petitioner, and they are addressed above. But three additional criticisms warrant specific mention here. *Schleicher* suggests that *Oscar* would make it too difficult to certify class actions in cases where it is "impossible" to disentangle the effects of fraudulent statements from the effects of other statements. *Schleicher*, 618 F.3d at 686. But this argument ignores the very nature of the efficient-capital-markets hypothesis. If the effects of the statements cannot be disentangled, then either plaintiffs have not shown entitlement to the presumption or defendants have rebutted it. In either case, the presumption that the class of buyers relied on the market does not make the required but-for connection between the alleged misrepresentation and the economic loss claimed. Under those circumstances, individual issues of reliance predominate and the class cannot be certified.

Schleicher also suggests that *Oscar* does not adequately account for the "truth-on-the-market" theory, in which the truth comes out and affects the stock price before any formal announcement is made. *Id.* at 687. That is simply a misreading of *Oscar*. There the plaintiffs affirmatively asserted that the market learned the truth through the company's 4Q01 release. The opinion specifically recognizes and accounts for the possibility that the truth may become known in other ways. *Oscar,* 487 F.3d at 269-70.

Finally, *Schleicher* claims that a plaintiff's failure

to satisfy the requirements of *Oscar* results in the plaintiff losing on the merits. 618 F.3d at 687. But *Oscar* makes clear that the only impact of failing to obtain the presumption of reliance at the class-certification stage is that the class will not be certified. 487 F.3d at 271. The lead plaintiffs (and other plaintiffs) are still free to pursue their individual claims. Institutional investors like Petitioner still have a substantial economic incentive to do so.

In sum, *Schleicher* oversimplifies and mischaracterizes the issues in an attempt to dispose of *Oscar*. *Schleicher*'s simplistic approach would require certification of a class where, under the efficient-capital-markets hypothesis, the market effects, if any, of the alleged misstatement have been dissipated. *Basic* did not adopt the efficient-market hypothesis. Instead, the Court found it had sufficient empirical support to be used as the basis for a presumption that investors relied upon an alleged misstatement because an efficient market would have factored it into the security's price. But where the actual events are inconsistent with the events the efficient-market hypothesis predicts, there is no basis for using the presumption to make the requisite but-for causal connection. *Basic* stated that "any showing" could make the presumption inappropriate. *Oscar* and the other Fifth Circuit cases are consistent with *Basic*. It is *Schleicher* that is inconsistent.

CONCLUSION

The Fifth Circuit's rule, as outlined in *Oscar* and in this case, is the logical result of the Court's decision in *Basic*. There, the Court approved the use of a rebuttable presumption of reliance based on the efficient-capital-markets hypothesis. This presumption can allow class certification of securities-fraud suits even though proof of reliance is usually an individualized inquiry. But if the alleged misrepresentation did not actually affect the market price, then there is no reasonable basis to presume reliance. Therefore, the Court recognized that the presumption is rebutted by "any showing" that severs the causal link.

Petitioner seeks to further lower the bar to class certification. First, Petitioner seeks to apply the rebuttable presumption of reliance based simply on evidence of market efficiency. This approach ignores the importance of actual market impact. Second, Petitioner asks this Court to hold that the rebuttable presumption is *not* rebuttable at the class-certification stage. Even if the preponderance of the admissible evidence shows that the alleged misrepresentations had no impact on the market price, Petitioner's proposed rule would require the class to be certified. The Court should affirm the decision below.

Respectfully submitted,

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ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON CO., et al.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF OF FINANCIAL ECONOMISTS AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF AMICI

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STATEMENT

In *Basic v. Levinson*, 485 U.S. 224 (1988), this Court endorsed a rebuttable presumption of reliance on the integrity of securities prices determined in well developed markets. *Basic* held that, under the "fraud-on-the-market" theory, courts may presume that securities prices in an open and developed market reflect all material public information and that investors rely on the integrity of the market price. Together, these

1. Pursuant to Rule 37.6, *amici* affirm that no counsel for a party authored this brief in whole or in part, and that no person other than *amici* and their counsel made a monetary contribution to the preparation or submission of this brief. The parties have filed letters giving blanket consent to the filing of amicus briefs in this case.

two presumptions allow plaintiff investors to establish that they have relied, indirectly, on allegedly false or misleading public statements of corporate managers. In establishing these presumptions, *Basic* relied in part on an important underlying economic theory—the "efficient markets hypothesis."

This case concerns the relevance of the efficient markets hypothesis to the certification of securities fraud class actions under Fed. R. Civ. P. 23. A plaintiff must prove reliance on a false statement as an element of his securities fraud claim. If each plaintiff had to submit individual proof of reliance—e.g., that he bought a security based on falsely positive statements by management about the company's prospects—then individual issues would frequently predominate and courts would deny class certification. The fraud-on-the-market doctrine, however, allows a presumption of reliance if plaintiffs purchased their securities in a well-developed, impersonal market. The reliance issue thus becomes a common one of showing that the market for the relevant security is sufficiently efficient to warrant the *Basic* presumption.

The Fifth Circuit has departed from this established approach in a series of decisions, including the present one, that requires plaintiffs to prove "loss causation" at class certification. It apparently did so in part based on certain economic literature criticizing aspects of the efficient markets hypothesis. The principal purpose of this brief is to address that criticism. *Amici* wish to make three central points: First, the version of the efficient markets hypothesis that this Court relied upon in *Basic*—what financial economists today refer to more precisely as the "semi-strong" version of the efficient market hypothesis

("SSEMH")—remains widely accepted as a fundamental principle of modern financial economic theory. That is true even though—like *all* useful social science theories applicable to human behavior—it is not "perfect" and does not explain *every* conceivable price movement for *every* market-traded economic asset.

The second point concerns the showing by which litigants may demonstrate or disprove the efficiency of the market for the security at issue in a class action. Lower courts have generally applied a multi-factor test developed in two district court decisions, *Cammer v. Bloom*, 711 F. Supp. 1263 (D.N.J. 1989), and *Krogman v. Sterritt*, 202 F.R.D. 467 (N.D. Tex. 2001). *Amici* believe that these factors are both helpful and manageable for trial courts. The most *direct* test of market efficiency from an economic perspective is an "event study," because it asks whether there is a cause and effect relationship between new information and contemporaneous changes in market price—the hallmark of an efficient market. The other *Cammer/Krogman* factors (e.g. bid-ask spreads, trading volume, amount of analyst coverage, etc.) are indirect indicators of efficiency, and their role should generally be limited to confirming an evaluation of general market efficiency in cases where an event study's conclusions are questionable or unclear.

Third, *Amici* reject the Fifth Circuit's suggestion that concerns about the limitations of the SSEMH require that plaintiffs show "something more" than the general efficiency of the market for a particular security in order to merit a presumption at class certification that investors relied on the integrity of the market price. Rule 23 requires only that the common issues "predominate"

over individual issues for class certification, and economic criticisms of the SSEMH at the margins do not mean that the fraud-on-the-market's general presumption of reliance is misplaced—especially at the early stages of litigation. If lower courts properly apply the *Cammer/Krogman* analysis—and in particular, if plaintiffs provide event study analysis indicating that the security's price moves in response to company-specific news—then the loss causation showing required by the Fifth Circuit would only rarely, if ever, add anything meaningful or reliable for purposes of determining whether investors should be presumed to have relied on the integrity of the market price.

ARGUMENT

I. The Efficient Markets Hypothesis Remains a Sound and Well-Accepted Basis for the Fraud-on-the-Market Presumption of Reliance in Securities Class Actions.

Basic endorsed the presumption that "in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business." 485 U.S. at 242 (quoting *Peil v. Speiser*, 806 F.2d 1154, 1160-61 (3rd Cir. 1986)). In so doing, this Court cited one of the most important social science hypotheses of the last century.

A. The meaning of an "efficient market."

Basic drew upon a longstanding recognition that stock markets respond to and reflect material information—

including false information.[2] Similarly, in a famous 1970 article, Eugene Fama distinguished among three different models of market efficiency:

> "Weak-form" efficiency requires that historical prices are not predictive of future prices. Excess profits cannot be earned using strategies based on historical prices.
>
> "Semi-strong form" efficiency implies that all public information is reflected in a stock's current market price, and that security prices adjust to new publicly available information so that it is impossible to earn excess returns by trading on that information.
>
> "Strong-form" efficiency implies that all information in the market, whether public or private, is accounted for in the market price. Investors cannot consistently earn excess profits over a long period of time—even if they have inside information.[3]

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2. This recognition dates back at least two centuries. *See Rex v. De Berenger*, 3 M. & S. 67, 105 Eng. Rep. 536 (K.B. 1814); *see also* Barbara Black, *Fraud on the Market: A Criticism of Dispensing with Reliance Requirements in Certain Open Market Transactions*, 62 N. C. L. Rev. 435, 456 (1984).

3. Eugene Fama, *Efficient Capital Markets: A Review of Theory and Empirical Work*, 25 J. Fin. 383 (1970). *See also Schleicher v. Wendt*, 618 F.3d 679, 685 (7th Cir. 2010) (Easterbrook, J.) (explaining the difference between these three forms of market efficiency).

All three constructs are sometimes described as "variations" of "the" efficient markets hypothesis; however, in the context of describing how financial markets actually operate, references to the "efficient market hypothesis" typically refer to the "semi-strong" version (SSEMH). For example, Professor Fama states that "I take the market efficiency hypothesis to be the simple statement that security prices fully reflect all available information .... A weaker and economically more sensible version of the efficiency hypothesis says that prices reflect information to the point where the marginal benefits of acting on information (the profits to be made) do not exceed the marginal cost."[4]

The critical aspect of the SSEMH for class certification purposes is an efficient market's ability to incorporate material public information in the security price, so that class members may be presumed to have relied on the integrity of the market price without regard to whether they individually relied on a particular statement. Most discussions of market efficiency, however, focus on whether investors can "earn above-average returns without accepting above-average risks."[5] In the fraud-on-the-market context, the unavailability of above-average returns plays a crucial confirmatory role: If investors who

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4. Eugene Fama, *Efficient Capital Markets: II*, 46 J. Fin.1575, 1575 (1991). Standard finance textbooks provide similar definitions. *See, e.g.*, Richard Brealey, Stewart Myers & Franklin Allen, *Principles of Corporate Finance* 317-18 (10th ed. 2011); Stephen A. Ross, Randolph W. Westerfield & Jeffrey Jaffe, *Corporate Finance* 430-31 (9th ed. 2010).

5. Burton G. Malkiel, *The Efficient Market Hypothesis and its Critics*, 17 J. Econ. Perspectives 59 (2003).

closely analyze the market cannot consistently earn above-average returns based on material public information, this is a signal that the market price has already incorporated such information.

Basic's presumption of reliance drew upon the SSEMH—*not* the "strong form" of market efficiency. The presumption's point, after all, is that the market can be "fooled" by public, material misrepresentations, such that the false information is reflected in the market price for the company's securities. In contrast, under the broadly rejected theory of "strong form" efficiency, no deception would be possible because all privately-available truths would also be reflected in market prices.[6]

The SSEMH holds that market prices respond promptly to new material information.[7] Modern financial markets are "amazingly successful devices for reflecting new information rapidly. The response time may not be immediate; sometimes there is underreaction for a short period. But by and large, prices reasonably reflect whatever public knowledge there is about each [publicly-

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6. *See Schleicher*, 618 F.3d at 685 ("Many economists think that the strong form of the hypothesis has been refuted, but the weak and semi-strong forms are widely accepted. And the fraud-on-the-market doctrine rests on the semi-strong form."); *see also* Daniel Fischel, *Efficient Capital Markets, the Crash, and the Fraud on the Market Theory*, 74 Cornell L. Rev. 907, 910-11 (1989).

7. *See, e.g.*, Donald Langevoort, *Theories, Assumptions and Securities Regulation: Market Efficiency Revisited*, 140 U. Pa. L. Rev. 851, 851 (1992) (describing the theory's "central insight . . . that a variety of forces impound available information into stock prices fast enough that arbitrage opportunities cannot be exploited systematically").

traded] company."[8] A variety of mechanisms serve to ensure modern financial markets' efficiency in terms of responding to new information and distilling the market's overall response into a price.[9]

The SSEMH is a theory of *informational* efficiency, and as such it must be distinguished from theories of *fundamental* efficiency. "Informational efficiency" posits that stock prices will reflect publicly available information quickly and in a generally unbiased manner. In contrast, "fundamental efficiency" posits that stock prices will accurately reflect the present value of a company's expected after-tax cash flows.[10] Fundamental efficiency is more of an intellectual construct than a "theory," inasmuch as virtually no financial economists believe that securities markets are "fundamentally efficient."[11]

Some criticisms of the fraud-on-the-market doctrine conflate these two forms of efficiency. Justice White's dissent in *Basic*, for example, criticized the majority

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8. Burton G. Malkiel, *A Random Walk Down Wall Street* 269 (10th ed. 2011).

9. *See, e.g.*, Ronald Gilson & Bernard Black, *The Law and Finance of Corporate Acquisitions* 146-57 (2d ed. 1995).

10. Fischel, 74 Cornell L. Rev. at 912-13.

11. *See, e.g.*, Andrei Shleifer, *Inefficient Markets: An Introduction to Behavioral Finance* 5, 24 (2000) (noting the "overwhelming" empirical evidence in favor of informational efficiency, while observing that "[fundamental] efficiency only emerges as an extreme special case, unlikely to hold under plausible circumstances").

for "implicitly suggesting that stocks have some 'true value.'" 485 U.S. at 255 (White, J., dissenting in part).[12] But *Basic*'s presumption of reliance relied only on informational efficiency—that is, the notion that "in an open and developed securities market, the price of a company's stock is determined by *the available material information* regarding the company and its business." 485 U.S. at 247 (majority opinion) (emphasis added).[13] The inability to discern a single, "true" value for Basic's shares was immaterial, from an economic perspective, to the claim in the case: that a lie by corporate managers concerning a possible merger depressed Basic's stock price below what it would otherwise have been. *See id.* at 228, 245.[14]

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12. *See also* Ian Ayres, *Back to Basics: Regulating How Corporations Speak to the Market*, 77 Va. L. Rev. 945, 983 (1991) (observing that Justice White's critique emphasized fundamental efficiency, while the majority relied only on informational efficiency).

13. *See also* 485 U.S. at 247 n.24 ("For purposes of accepting the presumption of reliance in this case, we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices."). To the extent the Court equated market price with "true value," it did so only in the limited sense that a market price, reflecting public information, is the best available estimate of value. *Id.* at 244.

14. *See also Eckstein v. Balcor Film Investors*, 8 F.3d 1121, 1129-30 (7th Cir. 1993) ("We call a market 'efficient' because the price reflects a consensus about the value of the security being traded—not necessarily because the price captures the true value of the firm's assets but because the price is the best available device to assess the significance of additional bits of information."); Ayres, 77 Va. L. Rev. at 983 ("[E]ven in a market that is not fundamentally efficient . . . an informationally efficient market will

The vast majority of finance academics believe that U.S. markets for public securities are informationally efficient.[15] Of course, professional investment advisors (who have an interest in persuading others to believe that they can consistently outperform the market) and members of the financial press periodically proclaim that the efficient market hypothesis has "failed"—citing most recently its failure to avert the 2008 stock market crash.[16] As Professor Malkiel explained earlier this year, however, "such obituaries are greatly exaggerated," and both academic research and experience "resounding[ly] confirm[]" the validity of SSEMH.[17]

This is not to say that real-world financial markets exhibit *perfect* informational efficiency. If markets were *perfectly* efficient such that prices reflected all publicly

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tend to generate detrimental price effects when corporations lie.").

15. *See, e.g.*, Esther Bruegger & Frederick Dunbar, *Estimating Financial Fraud Damages With Response Coefficients*, 35 J. Corp. L. 11, 46 (2009) (noting that "most academic studies accept the hypothesis that capital markets are efficient"); Ivo Welch, *Views of Financial Economists on the Equity Premium and on Professional Controversies*, 73 J. Bus. 501, 537 (2000) (finding that more than 79% of finance academics agreed with the proposition "I believe that, by and large, public securities market prices are efficient").

16. Empirical evidence consistently shows that professionally managed mutual funds more often than not perform less well than their relevant market benchmark indices in any given year. This powerfully confirms just how informationally efficient modern financial markets are. *See* Malkiel, *Random Walk*, at 292; Ray Ball, *The Global Financial Crisis and the Efficient Market Hypothesis: What Have We Learned?* 21 J. Applied Corp. Fin. 8, 8 n.6 (2009).

17. Malkiel, *Random Walk*, at 268-69; *see also* authorities cited in note 31, *infra*.

available information, there would no incentive for *any* investor to analyze public information when making investment decisions—but if investors did not analyze public information, there would be no mechanism for such information to become reflected in market prices, and the markets would not be efficient.[18] Thus, even the most efficient U.S. securities markets, such as those for stocks traded on the New York Stock Exchange ("NYSE"), must be "sufficiently inefficient" so that at the margin sophisticated investors have an incentive to analyze public information.[19] Such markets are more than efficient *enough*, however, to support *Basic*'s fraud-on-the-market presumption.

B. Academic critiques of the efficient markets hypothesis do not undermine its utility.

Since Professor Fama's pathbreaking 1970 article, numerous papers have purported to document findings inconsistent with SSEMH. These critiques—and their refutations—focus on the predictability of stock movements and the corresponding possibility of above-average returns. The well-documented and widespread failures of investment strategies based on these critiques confirms that U.S. financial markets process information

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18. Sanford Grossman & Joseph Stiglitz, *On the Impossibility of Informationally Efficient Markets*, 70 Am. Econ. Rev. 393, 404-05 (1980).

19. *See, e.g.*, Bradford Cornell & James Rutten, *Market Efficiency, Crashes, and Securities Litigation*, 81 Tul. L. Rev. 443, 447 (Dec. 2006); Zohar Goshen & Gideon Parchomovsky, *The Essential Role of Securities Litigation*, 55 Duke L.J. 711, 730 (2006) (noting that "it is precisely this inefficiency that creates an incentive to invest in information and constantly pushes the market to become more efficient").

very efficiently.[20] And recent research demonstrates that none of the current critiques seriously challenges the explanatory power of the SSEMH.

Researchers periodically identify anomalies in financial markets that allegedly allow investors to make excessive profits based on technical analysis of historical market data.[21] Once identified, however, anomalies tend "to disappear, reverse, or attenuate"[22]—either because they have since been arbitraged away or because they were simply statistical aberrations.[23] It is questionable whether any truly repetitive and exploitable pattern that might be discovered in the stock market can ever be exploited for more than a short period as such anomalies

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20. Malkiel, *Random Walk* at 267-300; Ball, 21 J. Applied Corp. Fin. at 15 (noting that funds established to take advantage of behavioral strategies failed to outperform the market).

21. A strong publication bias favors reporting anomalous results, as professional journals are likely to find research purporting to identify anomalies in an important theory (such as SSEMH) to be far more interesting than "boring" findings that simply confirm what an already well-accepted existing theory would predict. Malkiel, *Random Walk* at 274; *see also* William Schwert, *Anomalies and Market Efficiency*, in *Handbook of Economics and Finance* 941 (2003).

22. *See, e.g.*, Schwert, *supra*, at 940 (noting that analysis of data from subsequent periods has undermined earlier evidence that returns can be predicted using variables such as dividend yields or inflation).

23. *Id.*; *see also* Malkiel, *Random Walk* at 274 ("[M]any of these predictable patterns may simply be the results of data mining. . . . Given enough time and massaging of data series, it is possible to tease almost any pattern out of most data sets.").

would likely "self-destruct" as larger numbers of other investors sought to exploit it.[24]

One academic critique of the SSEMH, for example, is that securities prices under-react to certain types of news events—notably unexpected dividend announcements and earnings "surprises." Such studies suggest that trading stocks promptly after certain types of news comes out will generate abnormal returns in subsequent days, resulting in short-term price momentum that could theoretically be exploited to generate excess profits.[25] However, as Professor Fama has found, investors often *over-react* to the same types of information, and post-event continuation of abnormal returns is not much more frequent than post-event reversals.[26] Moreover, many of these anomalies disappear when exposed to different models for expected "normal" returns.[27] Most purported anomalies "can reasonably be attributed to chance"[28] and "certainly do not appear to offer investors a dependable way to earn abnormal returns."[29]

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24. Malkiel, 17 J. Econ. Perspectives at 71-72.

25. *See id.* at 72 (summarizing this research).

26. *See* Eugene Fama, *Market Efficiency, Long-Term Returns, and Behavioral Finance*, 49 J. Fin. Econ. 283, 285, 304 (1998).

27. *See id.* at 284; *see also* Schwert (2003) (noting that careful scrutiny of efficient market anomalies have raised more concerns about the asset pricing models used to construct the expected returns than about the efficiency of the market).

28. Fama, 49 J. Fin. Econ. at 284.

29. Malkiel, *Random Walk*, at 273; *see also* Fama, 46 J. Fin. at 1602 (observing that although "some event studies suggest

Recent critics of the SSEMH have cited the work of behavioral economists, who have suggested that short-run momentum may be caused by certain psychological feedback mechanisms, such as "bandwagon effects." The relevant effects, however, are too small to undermine the basic point of the SSEMH. Other empirical work has demonstrated that an investment strategy predicated on the SSEMH would do much better than a momentum-based strategy, even in periods where some degree of momentum clearly does exist.[30] Even assuming *arguendo* that economic behavioralists and "technical analysts" can ultimately validate their data, it would have only a *de minimis* impact on SSEMH because such data involves such extremely small pricing variances.[31]

Similarly, none of these critiques meaningfully undermines *Basic's* fraud-on-the-market doctrine. To justify a presumption of reliance, the market in question

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that stock prices do not respond quickly to specific information," "some anomalies, spurious and real, are inevitable"; the "main point" is that "[w]ith few exceptions, the evidence is supportive" of the SSEMH).

30. Malkiel, *Random Walk*, at 276.

31. *See* Malkiel, 17 J. Econ. Perspectives at 61-62. Although "irrational exuberance" and subsequent market crashes do refute "value efficiency" hypotheses that market prices always accurately reflect "true" value, such phenomena do nothing to "refute" the SSEMH. *See, e.g.*, Fischel, 74 Cornell L. Rev. at 915-17; Ball, 21 J. Applied Corp. Fin. at 10; Stephen Brown, *The Efficient Markets Hypothesis: The Demise of the Demon of Chance?* Accounting & Fin. 1, 4 (2010) (noting popular confusion as to what SSEMH really means, and how SSEMH actually implies that market participants will be unable to foresee the collapse of bubbles); Malkiel, *Random Walk* at 267-300.

need only be *efficient enough* to incorporate, to at least some extent, the impact of materially false or misleading new positive information about a company (or, in the case of omitted or concealed new material adverse information, *efficient enough* so that it would have incorporated, to at least some extent, the impact of the concealed information had it been disclosed). Conversely, even assuming *arguendo* that critics can identify anomalies that can be temporarily exploited to generate excess profits by investing in particular securities before market prices "revert to the mean," the market for such securities would have to be decidedly far down the efficiency spectrum before one could reasonably presume that investors would *not* be defrauded if they purchased securities at market prices during a period when company managers were providing materially false or misleading information to the market. Despite the anomalies that have been discovered, the major U.S. securities markets are typically efficient enough to justify the limited presumptions at issue here—that is, that a false statement will impact price at least to some degree. As we discuss further in Part III, this is all that plaintiffs need prove at class certification.

In sum, SSEMH has been subjected to "perhaps the most intensive and extensive testing of any hypothesis in all of the social sciences"—and this extraordinary scrutiny has confirmed the strong empirical support for the theory.[32] Moreover, although SSEMH is not entirely free of anomalies, such anomalies are sufficiently limited that, as a practical matter, the idea that prices efficiently

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32. Sanjai Bhagat & Roberta Romano, *Empirical Studies of Corporate Law*, in 2 *Handbook of Law and Economics* 948 n. 1 (Polinsky & Shavell, eds 2007).

incorporate information is an indispensable foundation for how we organize the real world.[33] That the hypothesis is not perfect—and does not explain every aspect of every price movement in all circumstances in a complex financial world—is ultimately neither particularly surprising nor significant: all theories have anomalies, and no theory can explain everything.[34]

Although we focus here on the state of the economic literature, it is worth noting that the SSEMH and its fraud-on-the-market corollary is entrenched in Congress's own understanding of the Securities Exchange Act as well as in the Act's implementation by the Securities Exchange Commission. As this Court noted in *Basic*, "Congress expressly relied on the premise that securities markets are affected by information, and enacted legislation to facilitate an investor's reliance on the integrity of those markets." 485 U.S. at 246. Similarly, the SEC has stated that its Form S-3, which applies to registrations of most corporations relevant to this discussion, "is predicated on the Commission's belief that the market operates efficiently for these companies, *i.e.*, that the disclosure in Exchange Act reports and other communications by the registrant, such as press releases, has already been disseminated and accounted for by the market place." Exchange Act Release No. 6331, 46 Fed. Reg. 41,902 (Aug. 18, 1981). Rejecting the SSEMH would thus both fly in the face of economic consensus and upset the fundamental assumptions of the regulatory scheme that Congress enacted.

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33. Ball, 21 J. Applied Corp. Fin. at 15.

34. *Id.* at 12, citing Thomas Kuhn, *The Structure of Scientific Revolutions* (2d ed. 1970).

The practice of relying on the integrity of market prices for securities is entrenched in commercial practice, law and regulation because actual market security prices are "efficient enough," notwithstanding any occasional anomalies.[35] *Amici* are unaware of any research (let alone tested theory) suggesting that any of the purported anomalies referenced above might be so strong—or the concepts underpinning SSEMH so weak—that the market price for a publicly traded security in the U.S. would *not* be distorted by materially false or misleading public statements by the company's managers, other than in rare circumstances.[36] And in those circumstances, as we discuss in the next section, courts have ample tools for weeding out cases where the fraud-on-the-market presumption is inappropriate.

II. Courts Have Workable and Adequate Means to Assess the Efficiency of the Market for a Security.

Basic left to the lower courts development of appropriate means to assess whether a market trades with sufficient efficiency to justify a presumption that prices on that market react to material public information. Two leading decisions—*Cammer* and *Krogman*—have identified eight widely used factors to assess market efficiency: (1) average weekly trading volume; (2) analyst

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35. Ball, 21 J. Applied Corp. Fin. at 16. *See also* Fischel, 74 Cornell L. Rev. at 915.

36. Examples might include cases involving securities of companies with such small market capitalization and thin trading that one would doubt the market for them was more than minimally efficient, or where the market recognized the falsity of the statements at issue.

coverage; (3) number of market makers; (4) SEC Form S-3 eligibility; (5) price reaction to unexpected information (*e.g.*, an "event study"); (6) market capitalization; (7) bid-ask spreads; and (8) percentage of shares held by non-insiders (the public "float"). *See Cammer*, 711 F. Supp. at 1285-87; *Krogman*, 202 F.R.D. at 477-78. The financial economics literature does not identify any single test or method for classifying a particular market as "efficient" or "inefficient," and some of these factors are more helpful than others from an economic perspective. In particular, *amici* believe that courts should primarily rely on an event study as the most direct evidence of market efficiency, with the other factors used as a supplement when event study results are inconclusive.

Cammer correctly noted that "one of the most convincing ways to demonstrate [market] efficiency would be to illustrate, over time, a cause and effect relationship between company disclosures and resulting movements in stock price." 711 F. Supp. at 1291. The customary method for establishing such a connection is an "event study," which uses well-accepted statistical methods to isolate the impact of information on market prices.[37] Event studies are not a direct test of market efficiency, but they have now been used for over 30 years to identify markets in which efficiency may be inferred. Such studies have formed the basis for hundreds of academic articles.[38]

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37. David Tabak & Frederick Dunbar, *Materiality and Magnitude: Event Studies in the Courtroom*, in *Litigation Services Handbook, The Role of the Financial Expert*, Ch. 19 (3d ed. 2001).

38. *See* Sanjai Bhagat & Roberta Romano, *Event Studies and the Law, Part I*, 4 Am. L. & Econ. Rev. 141, 142 (2002) ("The event study methodology is well accepted and extensively used in

An event study begins by specifying a model of what price movements are "expected" based on market factors and then testing whether the deviation from expected price movements are sufficiently large that simple random movement can be rejected as the cause. Thus, a widely accepted method for performing an event study involves preparing a regression model over an appropriate period that quantifies the relationship between the market price of the relevant security and broad general market and industry factors, using actual historical prices and index data. By comparing (a) the dates on which statistically significant abnormal returns were observed to (b) the information that was publicly disclosed during (or immediately preceding) the time period when the market was open for trading on those dates, an empirically valid assessment can then be made of the extent to which new material information, rather than random chance, is responsible for changes in the price of the subject security.[39]

An event study is a highly useful tool for assessing market efficiency, as the absence of price responses to a sample of unambiguously material news disclosures would raise questions about the market's sensitivity to information. Conversely, the presence of statistically

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finance. . . . Its use in policy analysis in recent years has become more widespread."); John Binder, *The Event Study Methodology Since 1969*, 11 Rev. Quant. Fin. & Acc'ting 111, 111-137 (1998).

39. *See* Bruegger & Dunbar, 35 J. Corp. L. at 33 (noting that event studies only detect impact of unexpected information, given that securities prices are not expected to react to information the market already anticipates). For useful discussions of event study methodology, *see, e.g.* Bhagat & Romano, 2 *Handbook of Law and Economics* at 945; Frank Torchio, *Proper Event Study Analysis in Securities Litigation*, 35 J. Corp. L. 159, 163-64 (2009).

significant price responses to certain events (e.g. unexpected earnings, dividend or merger and acquisitions news, which would be expected by an objective observer to result in a price reaction in a reasonably efficient market) is powerful confirmation of efficiency.[40] The feasibility of this type of general empirical test of market efficiency means that courts will only infrequently need to resort to the other *Cammer/Krogman* factors to assess whether a market exhibits the basic hallmarks of informational efficiency.

Nonetheless, if the basic event study methodology is inconclusive, the other *Cammer/Krogman* factors provide useful additional evidence from which the presence (or absence) of sufficient efficiency may be inferred. For example, average weekly trading volume, measured as a fraction of shares outstanding, can be linked to information dissemination to the market because volume helps investment analysts decide which stocks to follow[41] and is thus a useful indicator of efficiency. Likewise, extensive analyst coverage implies strong interest in and

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40. It may also be possible to show that even a security that traded on a relatively inefficient market still traded with sufficient efficiency to infer that its market price responded, to at least some extent, to the misrepresentations at issue in the case. As discussed in Part III below, however, such analysis will frequently not be possible absent a full factual record, and is also subject to the inherent risk of being confounded by defendants who have the ability to manipulate the nature and timing of their own disclosures.

41. *See* Randall Thomas & James Cotter, *Measuring Securities Market Efficiency in the Regulatory Setting*, 63 L. & Contemp. Probs. 105, 108 (2000).

demand for information about a company's securities,[42] although the post-*Cammer* explosion of alternative methods by which information is disseminated to investors has made traditional analyst coverage less central.[43] And a security issuer's eligibility to file SEC Form S-3[44] is also a good confirmatory indicator, as it demonstrates the SEC's own "belief that the market operates efficiently for these companies, *i.e.* that the disclosure in [prior filings] and other communications by the registrant, such as press releases, has already been disseminated and accounted for by the market place." *Cammer*, 711 F. Supp. at 1284 (quoting Exchange Act Release No. 6331 46 Fed. Reg. at 41,904). Finally, the prevalence of non-insider holders, particular large institutional holders, of a security is likely a valid indicator of, though not a prerequisite of, market efficiency.[45] Other *Cammer/Krogman* factors, such as the bid-ask spread, large market capitalization, and number of market makers, provide weaker indicators of the degree of market efficiency.

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42. *See* Brad Barber, Paul Griffin & Baruch Lev, *The Fraud on the Market Theory and Indicators of Common Stock's Efficiency*, 19 Iowa J. Corp. Law 285, 302 (1994).

43. For example, in recent years Internet news and blog coverage, 24-hour cable news networks, email, and other media—as well as online access to SEC filings—have dramatically increased the ability of investors to obtain and monitor information about publicly-traded securities and the market in general.

44. SEC Form S-3 allows certain public companies that have met federal reporting requirements for more than one year to incorporate prior SEC filings by reference without repeating the information. See www.sec.gov/about/forms/forms-3.pdf.

45. *See Krogman*, 202 F.R.D. at 478 (stating that courts should "consider the percentage of shares held by the public, rather than insiders").

For the most part, the *Cammer/Krogman* factors "do not speak directly to efficiency, but instead speak to whether a market is 'open and developed'"; accordingly "they are best understood as constituting an indirect test by which courts infer efficiency for reliance purposes."[46] *Cammer* distinguished between "an *open market* . . . in which anyone, or at least a large number of persons, can buy or sell," "a *developed market* . . . which has a relatively high level of activity and frequency, and for which trading information (e.g., price and volume) is widely available," and an "*efficient market* . . . which rapidly reflects new information in price."[47] But *Basic* itself held that the presumption would be appropriate for all markets that are "open and developed," 485 U.S. at 241-42. Moreover, any distinctions between "open and developed" markets and "efficient" ones are not important from an economic perspective for purposes of determining whether courts reasonably may presume that investors relied on the integrity of a security's market price.

Critiques of the *Cammer/Krogman* approach to judging market efficiency thus have the same limitation as the critiques of the efficient market hypothesis discussed in Part I: They may suggest limitations of the analysis as a matter of economic theory, but the *Cammer/Krogman* factors remain generally useful in the context that courts actually employ them. As Cornell and Rutten explain,

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46. Cornell & Rutten, 81 Tul. L. Rev. at 455.

47. *Cammer*, 711 F. Supp. at 1276 (citing Bromberg & Lowenfels, *Securities Fraud and Commodities Fraud*, § 8.6 (1988)). As *Cammer* further noted, "[t]hese terms are cumulative in the sense that a developed market will almost always be an open one. And an efficient market will almost invariably be a developed one." *Id.*

> The dispositive question for reliance is not whether the market is truly efficient, *but whether it is efficient enough that reasonable investors can be presumed to have relied on the market price.* The *Cammer* and *Krogman* criteria, by assessing the extent to which the market is "open and developed," attempt to infer the threshold level of efficiency required for reliance. The precise extent to which prices reflect information is irrelevant to the reliance question. As long as any deviations from rational pricing are sufficiently difficult to exploit that reasonable investors ignore them, it is appropriate to presume that investors relied on the integrity of the market price. . . . .

Cornell & Rutten, 81 Tul. L. Rev. at 456. (emphasis added). They thus correctly conclude that "[t]here is . . . little dispute that with respect to such securities, reliance on the integrity of market prices (and thus on the defendants' statements) is appropriately presumed." *Id* at 457. In other words, "[f]rom an economic perspective, the courts in *Cammer* and *Krogman* got it right." *Id* at 456.

III. The Fifth Circuit's Requirement that Plaintiffs Prove Loss Causation at Class Certification is Unwarranted.

The Fifth Circuit in this case required plaintiffs to prove loss causation at the class certification stage as a precondition to the application of *Basic*. The court also stated that, in the alternative, it would allow plaintiffs to establish their entitlement to a presumption of reliance by showing that the market price of the security moved

upward in response to the initial false statement. *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton*, 597 F.3d 330, 335 (5th Cir. 2010). The Fifth Circuit's approach in this case reflects its earlier judgment, in *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007), that "[t]he assumption that every material misrepresentation will move a stock in an efficient market is unfounded, at least as market efficiency is presently measured." That judgment, however, is simply incorrect as a matter of economics. Moreover, it contravenes this Court's analysis in *Basic* as well as Congress's and the SEC's judgments in constructing an enforcement regime predicated on efficient securities markets. It is also, as we stress in this section, a particularly inappropriate judgment to make at the *class certification* stage of a securities lawsuit.

A. The Fifth Circuit's approach goes beyond the economic showing that *Basic* required and misunderstands the significance of securities price reactions.

Rule 23 requires simply that "the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23(b)(3). When the *Cammer/Krogman* analysis indicates that the market for a particular security is efficient, that means that the *predominant* factors affecting the security's price are the sum of publicly available information about that security. Even if some anomalies persist in that market, it makes sense to presume in such circumstances that the security was affected by public

material information, and that most investors relied on the price as a reflection of that information.

That is all Rule 23 requires, and it is all that *Basic* presumed. As the Court recognized,

> We need not determine by adjudication what economists and social scientists have debated through the use of sophisticated statistical analysis and the application of economic theory. For purposes of accepting the presumption of reliance in this case, we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock prices.

485 U.S. at 246-47 n.24. This presumption is rebuttable, moreover, by "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair market price." *Id.* at 248. But the burden to make such a showing is on the defendant, once the basic efficiency of the market is established, and the link must be severed not by a general attack on the efficient markets hypothesis but by a particularized demonstration that the plaintiff investors did not rely on that market in this case. Any argument that the market price was restored to its proper level as a result of the market becoming aware of the truth is plainly a common question, and one that is more appropriate for resolution upon a fully developed factual record, rather than at the preliminary class certification stage. *Id.* at 249 n.29.

Oscar's facts demonstrate why *Basic*'s approach makes good sense. *Oscar* involved a claim that a telecommunications company, Allegiance Telecom, had misstated the number of new lines it had installed during the first three quarters of 2001. Later on, Allegiance restated its line counts downwards, while simultaneously also disclosing unexpectedly low earnings and other unfavorable financial information. Allegiance's stock price dropped. The plaintiffs alleged that Allegiance's earlier (and false) line count data had materially inflated its stock price, and that they had been harmed when the underlying truth was disclosed.

The Fifth Circuit, however, refused to apply *Basic*'s presumption that material misstatements affect stock prices. Instead, it suggested "two additional explanations, besides immateriality, for why a misrepresentation might fail to affect the stock price":

> First, it might be that even though the market for the defendant's shares has been demonstrated efficient by the usual indicia, the market is actually inefficient with respect to the particular type of information conveyed by the material misrepresentation, i.e. analysts and market makers do poorly at digesting line-count information. . . . A second possible explanation . . . is that the market was strong-form efficient with respect to that type of information, i.e., due to insider trading, the restated line count was reflected by the stock price well before the 4Q01 corrective disclosure.

Id. at 269. The Fifth Circuit held that plaintiffs must affirmatively prove that Allegiance's misstated line

counts had impacted stock prices, and that to do so the plaintiffs had to show that the price dropped in response to Allegiance's admission that its previous statements had been false. Because simultaneous "confounding" negative information—such as the lower expected earnings—had been disclosed at the same time as the line count restatement, the plaintiffs did not meet their burden (under Fifth Circuit precedent) of proving that the price had dropped specifically in response to the restatement. The court of appeals thus vacated the district court's class certification order. *Id.* at 271.

Contrary to the court of appeals' conclusion, neither the possibility of inefficiency or of "strong form" efficiency, was a reason to "resist application of the semi-strong efficient-market hypothesis." *Id.* Each of the court's speculations involved facts that, if proven, might rebut application of the fraud-on-the-market presumption to Allegiance's stock, and *Basic* incorporates an opportunity for such a showing. But each of *Oscar*'s proffered scenarios is sufficiently atypical that the burden of rebuttal should rest with defendants. Markets are generally able to assimilate various kinds of material technical information, such as line counts in the telecommunications industry (which the Fifth Circuit itself apparently conceded were adequately alleged to be material), and insider trading will only rarely be so pervasive as to render the market for a stock "strong-form efficient." *See* Part I.A, *supra*, (noting that "strong form" efficiency is an exceptional case and decidedly not a presumptive description of how U.S. financial markets actually work).

The bottom line is that, although critics of SSEMH have identified various "anomalies" in securities markets over the years, those anomalies are very slight, occur on

the margin, and have little impact on most investors. Even though security prices may take longer to adjust to some types of information than others, *Basic*'s assumption that a material misstatement will quickly impact securities prices *in some way* remains a highly reasonable assumption, and that is all that is required. *See Basic*, 485 U.S. at 248 (recognizing that reliance only requires a link between the price paid and the misrepresentation). Where plaintiffs can establish the indicia of a "sufficiently efficient" market, it is reasonable to presume that security prices were impacted by materially false or misleading statements to at least some degree. Thus, common issues of reliance predominate under Rule 23, and the burden appropriately shifts to defendants to prove otherwise.

There are also serious analytical problems with requiring plaintiffs to prove that stock prices fell in response to a disclosure that the previous statement was false. Stock prices, as a financial matter, generally represent an estimate of the company's future cash flows.[48] A disclosure that a previous statement was false will only impact stock prices if it simultaneously causes the market to reassess that estimate. But the market may reassess likely future cash flows (and thus adjust the price) for reasons related to the fraud, even absent an admission of the falsity of a prior statement.

For example, a firm may announce that it has a new product with certain features likely to be very attractive to consumers, while simultaneously concealing that the product does not function properly. Investors may gauge

48. *See* Z. Bodie, A. Kane and A. J. Marcus, *Investments* 613 (2d ed. 2009).

the firm's prospects positively, only to reconsider when revenues from product sales fail to meet expectations. The price of the stock would then fall, even in the absence of an admission that any of the company's prior descriptions of the product were false. By the time (if any) that the company actually admits that its product had always been unmarketable, there may be very little, if any, stock price reaction. The market will have "discovered" that information on its own from the company's poor financial performance.

The facts of *Oscar* illustrate the problem with trying to disentangle the impact of multiple disclosures of unfavorable information. There, Allegiance's new "line counts" served as a data point for estimating future revenues, and the market's assessment of that information would have factored into the stock's price. The Fifth Circuit required that the plaintiffs distinguish the impact on Allegiance's stock price of subsequent revelations that the line counts were inflated from the impact of other simultaneously announced unfavorable information, including disappointing earnings. But Allegiance's earnings might well have been disappointing precisely because Allegiance had not installed as many lines as it had previously reported to the market. From a financial perspective, in other words, disentangling Allegiance's line counts from its earnings reports may be a meaningless exercise. *Oscar*'s loss causation standard thus may require plaintiffs to distinguish the impact of events that, in many cases, will not actually be economically distinct.

B. The Fifth Circuit's approach would force courts to undertake a much more doubtful economic inquiry than the *Cammer/Krogman* factors at a premature stage of the case.

The showing required by the Fifth Circuit—either that the stock moved upwards in response to the false statement or dropped upon disclosure of the statement's falsity, *see Halliburton*, 597 F.3d at 335—raises no issues unique to particular plaintiffs and thus would seem to have little to do with the actual issue of commonality under Rule 23. It is, rather apparently, simply an effort to make class certification more difficult because of underlying concerns about the coercive effect of class certification on settlement. *See Oscar*, 487 F.3d at 267 ("We cannot ignore the *in terrorem* power of certification."). But even if it were appropriate for courts to add new requirements to Rule 23 based on such policy concerns, the Fifth Circuit's rule would go too far in the opposite direction.

The primary difference between the Fifth Circuit's approach and the event study methodology discussed in Part II, *supra*, is that while the latter simply requires a demonstration that material information affects the price of the relevant security in a statistically significant manner, the former requires a demonstration that the particular fraudulent statement or omission had that effect. Although in principle one could conduct an event study to "prove" that the price of a security moved in response to a specific piece of false news, there are fundamental reasons to reject such a requirement—especially at class certification.

First, depending on the nature of the defendant's misrepresentation, the necessary event study may simply

be infeasible. For example, if the alleged misconduct involved an omission of material information, "it is an oxymoron to have an event study of an *omitted* piece of information."[49] Moreover, no price reactions would be expected in response to misleading statements that (falsely) reconfirm pre-existing market expectations.[50] Prices only react to *unexpected* news, because *expected* news is already incorporated into the security's market price. Thus, a fraudulently inflated earnings report will have no detectable effect on price (and indeed may have been fraudulently inflated precisely to *avoid* a price drop) if it reports earnings in line with market expectations. Moreover, as the Seventh Circuit pointed out in *Schleicher*, a company may commit fraud to slow its losses rather than to actually raise its stock price. 618 F. 3d at 683-84. Under such circumstances, the stock price may fall, but not nearly as *much* as it would have had the company reported the full truth. A requirement that plaintiffs prove an "uptick" in securities prices following a false statement would thus be *expected* to fail to detect artificial inflation in a significant number of situations where it exists.

Similarly, it is frequently difficult to isolate the market's reaction to a *particular* disclosure—both initially and with respect to disclosure of the fraud—because corporations may announce multiple news items on a single day. Disentangling the effects of each item can pose a difficult challenge. Worse, the timing and manner in which a disclosure is made is almost always controlled by the defendant corporation. If plaintiffs bear the burden of

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49. *See, e.g.*, Frank Torchio, *Proper Event Study Analysis in Securities Litigation*, 35 J. Corp. Law 159, 163-64 (Fall 2009).

50. *See, e.g.*, Bhagat & Romano, 2 *Handbook of Law and Economics* at 948; Torchio, 35 J. Corp. Law at 164-66.

showing market reaction to a particular disclosure early in the proceedings, corporate managers can be expected to intentionally obscure their disclosures (for example, by dribbling them out over time, or by mixing announcements of "bad" news with simultaneous disclosures of multiple other pieces of information) to render the inquiry as difficult as possible.[51] Even though various techniques exist to sort out confounding factors, doing so before completion of fact discovery and an opportunity to analyze all relevant facts can be expected to produce unreliable results in many cases, raising further questions as to the utility of embarking on such an analysis at an early stage in the litigation. *See generally Schleicher*, 618 F.3d at 686 (explaining that the Fifth Circuit's approach "would do more than just 'tighten' the requirements for class certification. It would make certification impossible in many securities suits, because when true and false statements are made together it is often impossible to disentangle the effects with any confidence").

None of this is to deny that plaintiffs ultimately must prove loss causation to prevail on the merits. But

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51. For evidence that firms strategically announce information with an eye toward stock prices, *see* Sanjai Bhagat, Ming Dong, David Hirshleifer & Robert Noah, *Do Tender Offers Create Value? New Methods and Evidence*, 76 J. Fin. Econ. 3, 4 (2005) (noting that "firms sometimes deliberately time the announcement of takeover bids to be simultaneous with unrelated announcements"). Likewise, evidence suggests that poorly-performing companies intentionally make their disclosures difficult to read in an attempt to confuse the market about their financial performance. *See* Feng Li, *Annual Report Readability, Current Earnings, and Earnings Persistence*, 45 J. Accounting & Econ. 221 (2008).

proving a stock price decline in response to either partial or complete disclosures relating to a fraud can be highly complex,[52] and courts should not rely on disclosure-specific event studies unless they have been prepared with the benefit of a fully developed factual record.[53] Moving loss causation forward to a pre-merits phase, before the issues in the case have been fully developed, will either render class litigation impracticable or force courts to rely on partial and dubious statistical evidence. At the end of the day, the Fifth Circuit's new requirement threatens to undermine—not enhance—the economic rationality of securities litigation.

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52. *See*, e.g., Bruegger & Dunbar, 35 J. Corp. L. at 14.

53. Moreover, attempts to assess the statistical significance of a discrete type of company-specific event (such as concealment of a particular type of problem with a company-specific product) may involve a sample size of one, reducing the statistical power of such an analysis. *See* Bhagat & Romano, 4 Am. L. & Econ. Rev. at 149. It is thus even more important to ensure that such studies are prepared on the basis of a full and complete factual record.

CONCLUSION

The decision of the United States Court of Appeals for the Fifth Circuit should be reversed.

Respectfully submitted,

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AMICUS CURIAE BRIEF

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v.

HALLIBURTON CO., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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INTEREST OF AMICI CURIAE[1]

Amici are law professors whose scholarship and teaching focuses on corporate law and the federal securities laws. Law professors have an interest in ensuring that the securities laws are interpreted to accurately reflect both current financial economic scholarship and the historical underpinnings of the securities laws.

Amici include Jonathan R. Macey, Sam Harris Professor of Corporate Law, Corporate Finance and Securities Law at the Yale Law School, and Professor in the Yale School of Management; Adam C. Pritchard, the Frances and George Skestos Professor of Law at the University of Michigan Law School; and M. Todd Henderson, Professor of Law at the University of Chicago Law School.

SUMMARY OF ARGUMENT

In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), the Court held that in a Rule 10b-5 securities fraud suit, plaintiffs may invoke a "presumption of reliance" to gain class certification under Federal Rule of Civil Procedure 23(b)(3), which requires that common questions of law or fact "predominate" over questions particular to individual class members' claims. *Id.* at 241-48. *Basic* held that this presumption was supported by the "fraud on the market theory," which

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[1] No counsel for a party authored this brief in whole or part, and no counsel or party made a monetary contribution to fund the preparation or submission of this brief. No person other than the amici curiae and their counsel made any monetary contribution to its preparation and submission. The parties have filed letters giving blanket consent to the filing of amicus briefs in this case.

provides that "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price." *Id.* at 247, 250.

Basic grounded its holding on the understanding that "the market price of shares traded on well-developed markets reflects all publicly available information," including "any public material misrepresentations"—a concept embodied in the "efficient capital markets theory." *Id.* at 246-47 & n.24. *Basic* reasoned that because every public material misrepresentation is reflected in a security's price, "an investor's reliance on any public material misrepresentations * * * may be presumed for purposes of a Rule 10b-5 action." *Id.* at 247.

Basic thus combined two distinct concepts: the fraud on the market theory and the efficient capital markets hypothesis. The efficient capital markets hypothesis is not necessary to the use of the fraud on the market theory—as long as the market for a security incorporates the fraudulent information into the price, a "fraud on the market" has occurred, whether the market is efficient or not. But the two concepts can be combined to allow plaintiffs to invoke a presumption of reliance as to a particular instance of alleged fraud if they can first demonstrate that the relevant market was "efficient," *i.e.*, that it "reflect[ed] all publicly available information." *Id.* at 246. In the years before *Basic*, scholars and lower courts championed the simultaneous application of these concepts in the belief that well-developed markets were efficient, and that stock prices within those markets reflected all public information. And while *Basic* claimed "not to assess the general validity of" these theories, *id.* at 242, it nevertheless

accepted them in holding that a presumption of reliance is appropriate when market efficiency has been established.

But *Basic*'s view of the efficiency of capital markets was unrealistic. Rather than being totally "efficient" or "inefficient," securities markets enjoy varying degrees of efficiency, and therefore incorporate information at varying rates. Although amici accept that some well-developed markets incorporate most information into prices relatively quickly, empirical research conducted since *Basic* suggests that even the most open markets are not completely efficient, and will therefore incorporate some information slowly (or not at all). In light of this evidence, *Basic*'s understanding that a particular alleged fraud will necessarily be incorporated into the stock price is no longer sound.

Moreover, the lower courts' attempts to estimate efficiency have been inconsistent and empirically inaccurate. Faced with the difficult task of determining whether a market is "efficient"—a task for which they are ill-equipped—courts have resorted to examining proxies for efficiency as reflected in multifactor tests. Many of the proxies are highly correlated with each other (and therefore redundant), while others have little empirical relationship with efficiency; what is more, there is confusion about how to weigh the various factors. The result is a doctrinal and empirical muddle for both courts and litigants.

Use of the efficient capital markets hypothesis to show reliance becomes even more questionable when one considers that the fraud on the market theory does not require it. Rather, the core inquiry in

whether the fraud on the market presumption of reliance is appropriate is whether the market as a whole relied on allegedly fraudulent information. Therefore, all that is necessary is evidence of a misstatement's effect on a security's market price. In light of this, and of the difficulties in evaluating efficiency, the Court should shift the focus of fraud on the market inquiries from a market's overall efficiency to the question whether the fraud at issue affected market price. The decision below should be affirmed because it correctly focuses on the market effect of the alleged misstatements at issue.

ARGUMENT

I. *BASIC*'S USE OF MARKET EFFICIENCY AS A MEANS OF SHOWING RELIANCE IS UNNECESSARY AND COUNTERPRODUCTIVE

Plaintiffs bringing a Rule 10b-5 securities fraud claim must prove they relied upon the company's alleged misrepresentation when deciding to trade the company's security. *Basic,* 485 U.S. at 243. Traditionally, such reliance is determined on an individualized basis. Cf. *id.* at 242; see also *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 481 (2d Cir. 2008). But in the context of securities fraud class actions, which often can be maintained only when common questions of law or fact predominate over individual questions, see Fed. R. Civ. P. 23(b), "[r]equiring proof of individualized reliance from each member of the proposed plaintiff class effectively would * * * prevent[] [plaintiffs] from proceeding with a class action, since individual issues then would * * * overwhelm[] the common ones." *Basic*, 485 U.S. at 242.

In *Basic*, the Court allowed plaintiffs to invoke a "presumption of reliance" in lieu of showing individual reliance in class-action cases, by combining two then-new economic theories. The first of these was the semi-strong version of the efficient capital markets hypothesis, see *In re Res. Am. Sec. Litig.*, 202 F.R.D. 177, 189 n.12 (E.D. Pa. 2001), which postulates that "security prices fully reflect all available information," Eugene F. Fama, *Efficient Capital Markets: II*, 46 J. Fin. 1575, 1575 (1991); see *Basic*, 485 U.S. at 246 ("[T]he market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations."). Second was the fraud on the market theory, which provides that reliance may be presumed where "a fraud affects the price of a publicly traded security [because] investors will be affected even if they trade without knowledge of the misrepresentations that influenced the price at which they traded." *Stark Trading* v. *Falconbridge Ltd.*, 552 F.3d 568, 572 (7th Cir. 2009); accord *Basic*, 485 U.S. at 247.

Basic combines these two concepts in its conclusion that if a market is efficient, then all information, including any material misstatement, is incorporated into a security's price, and any investor buying a security when a misstatement is incorporated into the price relies on it by purchasing at the inflated price. *Basic*, 485 U.S. at 247. Combining these concepts, the *Basic* Court concluded:

> An investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price. Because most publicly available information is reflected in market price, an

> investor's reliance on any public material misrepresentations, therefore, may be presumed for purposes of a Rule 10b-5 action.

Id.

Although the Court noted that it would not "determine by adjudication what economists and social scientists have debated through the use of sophisticated statistical analysis and the application of economic theory," it also observed that then-recent "empirical studies have tended to confirm * * * that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations." *Id.* at 246-47 & n.24.

Based on this language, courts and commentators have generally interpreted *Basic* to allow plaintiffs to employ the fraud on the market theory only if they can demonstrate that the relevant market "reflects all publicly available information," a quality known as "efficiency."[2] See, *e.g.*, *Gariety* v. *Grant Thornton, LLP*, 368 F.3d 356, 368 (4th Cir. 2004) ("*Basic* clearly requires that a market be efficient in order for the fraud-on-the-market presumption of reliance to be invoked * * * ."). Although *Basic* indicated in a footnote that a market need only incorporate "most" information, see *Basic*, 485 U.S. at 246 n.24, other

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[2] As discussed below, lower courts and commentators do not agree as to the level of efficiency necessary—just that some showing of a baseline of efficiency is required. Perfect efficiency is an unrealistic scenario. Fama, *supra*, at 1575 (stating that because there are information and trading costs in any market, the hypothesis that there is total market efficiency is "surely false").

language in the opinion, see *id.* at 246, as well as many of the sources it cites, state that the relevant market must reflect "all" information to be efficient. See *In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 11-12 (1st Cir. 2005) (collecting authorities).

As set forth below, however, an examination of the efficiency of markets is not necessary for determining reliance or establishing the existence of a fraud on the market; it is not even the best means of determining reliance, even in the context of class actions.

A. Examining Efficiency Is Unnecessary to Demonstrate "Fraud on the Market"

Although "*Basic* seems to insist on" a showing that a market is efficient to support a fraud on the market claim, Donald C. Langevoort, *Theories, Assumptions, and Securities Regulation: Market Efficiency Revisited*, 140 U. Pa. L. Rev. 851, 899 (1992), there is no basis in logic or experience for such a requirement. To maintain a Rule 10b-5 action, a plaintiff must show only that he relied on the particular false statements at issue. Even if the plaintiff seeks to invoke the fraud on the market presumption, it should be unnecessary to demonstrate that the market is efficient as a *general* matter. Proving that a market is generally highly efficient, and thus tends to incorporate all information quickly, is unnecessary to demonstrating that there has been a fraud on the market as to a specific statement. As long as a market functions well enough that the specific representation at issue was incorporated into a security's price, see Daniel R. Fischel, *Efficient Capital Markets, the Crash, and the*

Fraud on the Market Theory, 74 Cornell L. Rev. 907, 911 (1989), a showing of general efficiency is unnecessary. See Jonathan R. Macey et al., *Lessons from Financial Economics: Materiality, Reliance, and Extending the Reach of* Basic v. Levinson, 77 Va. L. Rev. 1017, 1021 (1991); Nathaniel Carden, Comment, *Implications of the Private Securities Litigation Reform Act of 1995 for Judicial Presumptions of Market Efficiency*, 65 U. Chi. L. Rev. 879, 904 (1998) (stating that "adherence to the [efficient capital markets hypothesis] is not critical for the fraud-on-the-market theory"). Petitioner's amici financial economists appear to agree: "To justify a presumption of reliance, the market in question need only be *efficient enough* to incorporate * * * the impact of materially false or misleading new positive information about a company * * *." Financial Economists' Amicus Br. 14-15. Even *Basic* places some focus on market movement at the rebuttal stage. *Basic*, 485 U.S. at 248. Perfect market efficiency may be "a sufficient reason why an investor relying on market-price integrity would be harmed" by fraud, but is not a necessary one "because fraud can and does distort prevailing prices" even in inefficient markets. Donald C. Langevoort, Basic *at Twenty: Rethinking Fraud on the Market*, 2009 Wis. L. Rev. 151, 161 (2009).

The fraud on the market theory effectively "shift[s] the inquiry from whether an individual investor was fooled to whether the market as a whole was fooled" by a particular misstatement. *In re Verifone Sec. Litig.*, 784 F. Supp. 1471, 1479 (N.D. Cal. 1992); see also Fischel, *Efficient Capital Markets, supra*, at 907. The efficient capital markets hypothesis, in contrast, provides a basis for the

assumption that the market would be fooled by *any and all* instances of fraud. But such a showing is unnecessary to demonstrate that the market was fooled as to a particular statement. As one scholar has observed, "[t]he only important question is whether the price was distorted," which requires only that the information was incorporated into the price of the individual stock, not that the market is efficient as a general matter. Langevoort, *Theories, supra*, at 898-99.

The understanding that perfectly efficient markets are unnecessary for application of the fraud on the market theory is borne out by the conception of that theory before *Basic*. The efficient capital markets hypothesis was first combined with the fraud on the market theory in the 1980s. See Jeffrey L. Oldham, Comment, *Taking "Efficient Markets" out of the Fraud-on-the-Market Doctrine after the Private Securities Litigation Reform Act*, 97 Nw. U. L. Rev. 995, 1006-11 (2003). Before that time, the fraud on the market presumption was described "as being predicated on a showing that 'the plaintiff establishes that a lie, misleading statement, or omission has affected the price of the stock.'" *Id.* at 1007 (quoting *Flamm* v. *Eberstadt*, 814 F.2d 1169, 1179 (7th Cir. 1987)); see also 4 Alan R. Bromberg & Lewis D. Lowenfels, Bromberg & Lowenfels on Securities Fraud and Commodities Fraud § 7:468 (2d ed. 2000) ("This text first suggested in 1967 that a 10b-5 reliance requirement in open market transactions could be satisfied by showing that an investor who traded with reference to market price and conditions could be treated as indirectly relying on a misrepresentation which affected the market.").

Thus, the inquiry concerned the effect of a particular piece of information on the stock in question.

But courts and commentators began to employ the efficient capital markets hypothesis, emphasizing that if a plaintiff could show that a market was efficient, then *any* material misrepresentation in a case necessarily affected the price of the security. Oldham, *supra*, at 1010-11 (citing *In re LTV Sec. Litig.*, 88 F.R.D. 134, 142-46 (N.D. Tex. 1980); Daniel R. Fischel, *Use of Modern Finance Theory in Securities Fraud Cases Involving Actively Traded Securities*, 38 Bus. Law. 1, 9-10 (1982); Note, *The Fraud-on-the-Market Theory*, 95 Harv. L. Rev. 1143, 1154-56 (1982); Note, *Fraud on the Market: An Emerging Theory of Recovery Under SEC Rule 10b-5*, 50 Geo. Wash. L. Rev. 627, 647-53 (1982)); see also *Peil* v. *Speiser*, 806 F.2d 1154, 1163 (3d Cir. 1986) (stating that "a well-developed market can reasonably be presumed to respond to even a single material misrepresentation or omission concerning a stock * * * traded in that market"); Roger J. Dennis, *Materiality and the Efficient Capital Market Model: A Recipe for the Total Mix*, 25 Wm. & Mary L. Rev. 373, 374-75 (1984). *Basic* relied on several of these sources for its conclusion that well-developed markets reflect all public information. *Basic*, 485 U.S. at 246 n.24 (citing Dennis, Fischel, and *LTV*). Conversely, it was understood that if a market were *not* completely efficient, the fraud on the market presumption would be inappropriate. See *Reingold* v. *Deloitte Haskins & Sells*, 599 F. Supp. 1241, 1264 (S.D.N.Y. 1984) ("By contrast with efficient markets, inefficient markets by definition do not translate all available information into the price. In such markets, the price of a security does not necessarily reflect all

[information and] an inference of * * * reliance is inapposite." (citation omitted)).

Thus, the efficient capital markets hypothesis "effectively became a proxy for showing that the misrepresentation actually affected the stock price." Oldham, *supra*, at 1011; accord Langevoort, *Theories*, *supra*, at 890-91 ("The fraud-on-the-market theory is often understood to carry with it the second presumption that in an efficient market, a material misrepresentation or actionable omission influences the market price, and therefore removes the need to actually prove the impact.").

The fact that total market efficiency is *unnecessary* to establish fraud on the market is not itself reason to eliminate the requirement of such a showing. But as noted below, reference to market efficiency has disadvantages that counsel use of a different mechanism for demonstrating reliance.

B. *Basic*'s Efficiency Requirement Is Poorly Tailored to Remedy Fraud on the Market

Experience has shown that efficiency is not an especially close proxy for reliance, providing a remedy that is both underinclusive in some respects and overinclusive in others.

Basic's focus on the overall efficiency of a market, rather than the effect of the specific misstatement at issue, needlessly limits the ability of investors to employ the class-action mechanism with respect to fraud perpetrated in less efficient markets, even when the market price reflects those misstatements. Under prevailing caselaw in the lower courts, *Basic*'s presumption of reliance has been held to be

unavailable to investors in newly issued securities, see *In re Initial Pub. Offerings Sec. Litig.*, 471 F.3d 24, 42 (2d Cir. 2006); *Freeman* v. *Laventhol & Horwath*, 915 F.2d 193, 199 (6th Cir. 1990), mortgage-backed bonds, see *Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier Inc.*, 546 F.3d 196, 210 (2d Cir. 2008), and securities in less developed markets, see *Krogman* v. *Sterritt*, 202 F.R.D. 467, 474-78 (N.D. Tex. 2001), even when the false statement at issue is significant. A class-action remedy is frequently unavailable because the class cannot show efficiency.

This outcome is unfortunate because it is "in regard to the stock of small companies, traded over the counter or on non-traditional exchanges, that the kinds of fraud Rule 10b-5 was designed to avert are most likely to occur." Geoffrey Christopher Rapp, *Proving Markets Inefficient: The Variability of Federal Court Decisions on Market Efficiency in* Cammer v. Bloom *and its Progeny*, 10 U. Miami Bus. L. Rev 303, 322-23 (2002); see also Advisory Comm. on Smaller Public Companies, Final Report to the U.S. Securities & Exchange Commission 139 (2006) (2006), *available at* http://www.sec.gov/info/smallbus/acspc/acspc-finalreport.pdf (noting that "small firms consistently have more misstatements and restatements of financial information, nearly twice the rate of large firms"). If the rationale for fraud on the market is that investors should be able to rely on securities markets being free from fraud, as Petitioner's amici argue,[3] it makes little sense to

[3] See Br. for Law Professors as Amici Curiae Supporting Petitioner 13 ("The statute and rule [of Section 10(b) and Rule 10b-5] are designed to foster an expectation that securities

focus on market efficiency, which effectively limits the presumption of reliance to only the largest and most trustworthy securities issuers.

Just as the emphasis on efficiency is underinclusive as to strong fraud cases perpetrated in less efficient markets, it is overinclusive, as a practical matter, as to weak fraud cases involving more efficient markets. "For large-cap stocks, there is seldom any debate over whether the market is efficient enough: efficiency is assumed." Langevoort, Basic *at Twenty*, *supra*, at 173. Thus, plaintiffs suing a widely traded issuer can be certified as a class even in cases where the market, due to the obscurity or complexity of the information (or some other reason), did not actually rely on the misstatements. Although defendants can assert a lack of actual reliance as a defense on the merits, as a practical matter, once a class action is certified, such cases are overwhelmingly likely to settle.[4] Because such

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markets are free from fraud—an expectation on which purchasers should be able to rely" (quoting *Blackie* v. *Barrack*, 524 F.2d 891, 907 (9th Cir. 1975))).

[4] See Jordan Milev et al., *Trends 2010 Year-End Update* 15 (Dec. 14, 2010) (unpublished manuscript), *available at* www.nera.com/nera-files/PUB_Year_End_Trends_1210.pdf (noting that since "December 1995, over 3,400 [securities class actions] have been filed, and over that time only 28 cases have gone to trial"); Richard A. Nagareda, *Class Certification in the Age of Aggregate Proof*, 84 N.Y.U. L. Rev. 97, 99 (2009) (observing that class certification usually "sets the litigation on a path toward resolution by way of settlement"), Bruce H. Kobayashi & Larry E. Ribstein, *Class Action Lawyers as Lawmakers*, 46 Ariz. L. Rev. 733, 743 (2004) (stating that "many certified class actions settle quickly"); Bryant G. Garth, *Studying Civil Litigation Through the Class Action*, 62 Ind. L.J. 497, 501 (1987) (reporting

settlements are most easily procured from the largest and most well-traded companies (which have the most to lose and can most readily afford them), they create a significant impact on the capital markets. Such an overinclusive standard is counterproductive.

C. Market Efficiency Determinations Are Difficult for Courts to Make

Basic permits plaintiffs, upon a showing of efficiency, to substitute a rebuttable presumption of reliance for a showing that the alleged misrepresentations at issue actually influenced the market price. This substitution suggests both that the efficient capital markets hypothesis is a sound explanation for market movements and that evaluating a security's overall efficiency is more practicable than determining whether the misstatement at issue actually distorted the market price. See *Litton Indus., Inc.* v. *Lehman Bros. Kuhn Loeb Inc.*, 967 F.2d 742, 748 (2d Cir. 1992) ("To saddle a plaintiff with proving the 'generally indeterminable fact of what would have happened but for the omission [or the misrepresentations that skewed the market value of stock] would reduce the protection against fraud afforded by Section 10(b)." (quoting *duPont* v. *Brady*, 828 F.2d 75, 78 (2d Cir. 1987))). But it is now recognized that markets are rarely, if ever, totally efficient, and showing efficiency is in most cases a more difficult task than demonstrating distortion of market price caused by a particular misstatement.

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a 78% settlement rate for certified class actions and only a 15% settlement rate for noncertified cases).

1. Since *Basic* Was Decided, Research Has Called the Efficiency of Markets into Question

In employing the efficient capital markets hypothesis to support a presumption of reliance, *Basic* observed that "empirical studies have tended to confirm * * * that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations." 485 U.S. at 246. The decision thus relied on the understanding that "[r]esearchers agree that the efficient capital market model," which "posits that the price of a security reflects all publicly available information[,] * * * accurately represents the pricing behavior of stocks." Dennis, *supra*, at 374-75; see *Basic*, 485 U.S. at 246 n.24 (citing Dennis). On that basis, courts and commentators have concluded that *Basic* implicitly endorsed the semi-strong form of the efficient capital markets hypothesis, which posits that "an efficient market is one in which all publicly available information is reflected in the market price of the stock." *PolyMedica*, 432 F.3d at 10 n.16.[5]

The *Basic* Court's confidence in the efficient capital markets hypothesis was a product of its time. See Lynn A. Stout, *The Mechanisms of Market Inefficiency: An Introduction to the New Finance*, 28 J. Corp. L. 635, 635 (2003) (noting that by the 1980s the efficient capital markets hypothesis "became one of the most widely-accepted and influential ideas in finance economics"); Ronald J. Gilson & Reinier H.

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[5] See also, *e.g.*, *Schleicher* v. *Wendt*, 618 F.3d 679, 685 (7th Cir. 2010).

Kraakman, *The Mechanisms of Market Efficiency*, 70 Va. L. Rev. 549, 549 (1984) ("Of all recent developments in financial economics, the efficient capital markets hypothesis * * * has achieved the widest acceptance by the legal culture.") However, as economists' understanding of capital markets has deepened, they have tempered their faith in the efficiency that was so prevalent in *Basic*'s day.

Contrary to the view of efficiency *Basic* appears to have accepted, "efficiency is not a binary, yes or no question." Langevoort, Basic *at Twenty*, *supra*, at 167. Rather, there is a spectrum of levels of market efficiency, see Gilson & Kraakman, *supra*, at 560, and "[p]erfect efficiency is just a theoretical ideal," Langevoort, Basic *at Twenty*, *supra*, at 167. Levels of efficiency even vary among types of information concerning the same market: If one piece of information is more easily collected and understood than another, it will make its way into the market price more quickly, even if both pieces of information concern the same security. See Brad M. Barber et al., *The Fraud-on-the-Market Theory and the Indicators of Common Stocks' Efficiency*, 19 J. Corp. L. 285, 290-91 (1994); Gilson & Kraakman, *supra*, at 558-59.[6]

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[6] See also Stout, *supra*, at 656.

> Information that is easy to understand and that is trumpeted in the business media—for example, merger announcements or news of a stock split—may be incorporated into market prices almost instantaneously. But information that is "public" but difficult to get hold of, or information that is complex or requires a specialist's knowledge to comprehend, may take weeks or months to be fully incorporated into prices. Indeed it may never be fully incorporated at all.

"For example, stock prices may reflect certain types of public information (concerning, for instance its own prices, or the interest rate on Treasury Bills) faster than other types of public information (concerning, for example, Iraq's invasion of Kuwait)." Ian Ayres, *Back to* Basics: *Regulating How Corporations Speak to the Market*, 77 Va. L. Rev. 945, 976 (1991).

And because no real-world market is completely efficient, information—even important, publicly disseminated information—is not always rapidly incorporated into prices. For example, there is evidence of large disparities in market reaction to accounting restatements as a result of the prominence of the restatements. See Rebecca Files et al., *Stealth Disclosure of Accounting Restatements* (Apr. 27, 2009), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1395768. Similarly, there is evidence that the *Wall Street Journal*'s publication of reports of trading by corporate insiders rapidly and significantly affects that corporation's stock price, even though the SEC usually makes such reports public several days earlier. See Saeyoung Chang & David Y. Suk, *Stock Prices and the Secondary Dissemination of Information: The Wall Street Journal's "Insider Trading Spotlight" Column*, 33 Fin. Rev. 115, 115-17 (1998). And "[o]ne of the most common types of material disclosures—an earnings surprise—actually takes a while to be fully impounded, even for large-cap stocks, and even varies depending on whether it is good news or bad." Langevoort, Basic *at Twenty*, *supra*, at 170. The efficient capital markets hypothesis would suggest that such material, public information would be quickly incorporated into stock prices, but empirical evidence indicates otherwise.

In the same vein, in *In re Merck & Co. Securities Litigation*, 432 F.3d 261 (3d Cir. 2005), information regarding Merck—a large and well-followed firm in a well-developed market—was first released to the public in a complicated format through an SEC filing, to no demonstrable market effect. *Id.* at 269-70. As one scholar has noted, "it is hard to imagine any stock more likely traded in an efficient market than Merck," Langevoort, Basic *at Twenty*, *supra*, at 174, and so the efficient capital markets hypothesis would suggest that this information would rapidly be incorporated in price. But when an article in the *Wall Street Journal* "read[] between the lines of this disclosure" several weeks later, the result was a significant decline in price. *Merck*, 432 F.3d at 263, 265. The court of appeals determined on this basis that the information was immaterial—even though the markets' response to the *Journal* article clearly militates against that conclusion—because "the efficient market hypothesis suggests that the market made these basic calculations months earlier." *Id.* at 271. But also plausible is the possibility that the market had not actually incorporated the information when first released in the more obscure format.[7] Commentators have identified many other instances in which markets have moved inefficiently.[8]

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[7] See, *e.g.*, Langevoort, Basic *at Twenty*, *supra*, at 176 (noting possibility that market missed implications of Merck's initial disclosures).

[8] See, *e.g.*, Langevoort, Basic *at Twenty*, *supra*, at 175 (stating that "the contemporary literature suggests that even for widely traded stocks, substantial deviations from the efficiency ideal are quite possible"), Marlene A. Plumlee, *The Effect of Information Complexity on Analysts' Use of That Information*, 78 Acct. Rev. 275, 293 (2003) (concluding that analysts fail to

Early research on the efficient capital markets hypothesis—the kind of research available at the time *Basic* was decided—focused on types of information that are usually rapidly incorporated into market prices (such as "stock splits, dividend changes, corporate mergers, and the like"). Stout, *supra*, at 653. But other "types of information highly relevant to assessing the economic health of firms appear to be incorporated into stock prices far more slowly and incompletely than the conventional view of market efficiency would suggest." *Id.* Researchers also analyzed broad-based indices rather than individual securities, which brought about results showing efficiency and obscured anomalous results involving particular securities. See Frederick C. Dunbar & Dana Heller, *Fraud on the Market Meets Behavioral Finance*, 31 Del. J. Corp. L. 455, 525 (2006).

Post-*Basic* research reveals significant limitations on the efficient capital markets hypothesis. This is not to say that markets never rapidly incorporate most public information. But exceptions to the

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incorporate complex information in forecasts); Gur Huberman & Tomer Regev, *Contagious Speculation and a Cure for Cancer: A Nonevent that Made Stock Prices Soar*, 56 J. Fin. 387 (2001) (noting significant market effect of prominent news item concerning information that had been public for months); Peter Klibanoff et al., *Investor Reaction to Salient News in Closed-End Country Funds*, 53 J. Fin. 673 (1998) (concluding that well-publicized news items were more likely to move the market than redundant information found elsewhere, and that well-publicized news events created short periods in which the relevant markets reacted more quickly to changes); Thomas S.Y. Ho & Roni Michaely, *Information Quality and Market Efficiency*, 23 J. Fin. & Quantitative Analysis 53 (1988) (finding market effect from republication of already available information).

hypothesis exist, even as to material information in relatively efficient markets. In light of this research, *Basic*'s assumption that a market deemed efficient will promptly and reliably reflect a *particular misstatement* into a security's price—which is, at bottom, what courts consider to be a "fraud on the market"[9]—is no longer consistently accurate.

2. Courts and Commentators Have Struggled with Determining When a Particular Market Is Sufficiently "Efficient" to Support a Presumption of Reliance

Basic requires courts to determine whether markets are "efficient" or "not efficient." But that is easier said than done. As seen above, markets exist along a spectrum of efficiency rather than at either end, and *Basic* offers no guidance about the point at which a market becomes efficient enough to qualify for the presumption of reliance. Moreover, the determination of efficiency is inherently difficult to make. Not even financial economists have been able to develop an agreed-upon test to prove efficiency. Because economists "do not know how to []calculate the price that fully reflects the available information," it is difficult at best to test whether a market fully reflects all publicly available information. Alon Brav & J.B. Heaton, *Market Indeterminacy*, 28 J. Corp. L. 517, 525 (2003); Fama, *supra*, at 1575 ("[M]arket efficiency per se is not

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[9] See *Verifone*, 784 F. Supp. at 1479 ("The fraud-on-the-market theory * * * shifts the inquiry from whether an individual investor was fooled to whether the market as a whole was fooled").

testable."). Perfect efficiency is not a realistic scenario. See Fama, *supra*, at 1575.

If efficiency determinations are difficult (if not impossible) for economists, they are harder still for courts: Determining efficiency "requires courts to drift far from their institutional competence." Carden, *supra*, at 905. Because of difficulties in determining market efficiency, courts have resorted to examining proxies associated with efficient markets. If the proxies indicate a sufficiently large and developed market, the market is deemed efficient. The most prominent of the tests developed by the courts is that set forth in *Cammer* v. *Bloom*, 711 F. Supp. 1264 (D.N.J. 1989). The proxies examined by *Cammer* were the percentage of shares traded weekly; whether "a significant number" of analysts follow and report on the stock; the existence of market makers trading the stock; whether the issuer was qualified to use an S-3 registration statement with the SEC; and whether the plaintiff can "allege empirical facts showing a cause and effect relationship between unexpected corporate events or financial releases and an immediate response in the stock price." *Id.* at 1286-87. Other courts have also looked to other proxies, including market capitalization, see *Krogman*, 202 F.R.D. at 478, bid-ask spread, *id.*, percentage of stock held by insiders, *id.*, and volume of trading by institutional investors, *O'Neil* v. *Appel*, 165 F.R.D. 479, 503 (W.D. Mich. 1996). But these indicators are only proxies for efficiency. See Financial Economists' Amicus Br. 3 (stating that many of these factors "are indirect indicators of efficiency, and their role should generally be limited to confirming an evaluation of general market efficiency in cases where an event

study's conclusions are questionable or unclear"). These courts, then, took *Basic*'s already-relaxed concept of reliance—essentially a proxy for individual reliance adopted to allow more plaintiffs to bring securities class actions—and relaxed it further by allowing proxies for efficiency rather than the inquiry into actual efficiency *Basic* required.

What is more, the factors lower courts consider in determining efficiency frequently are unmoored from efficiency. Apart from being highly correlated with each other (and therefore redundant),[10] research indicates that some often-considered factors considered proxies for efficiency, such as the number of market makers, issuer size, bid-ask spread, and institutional holdings, are not empirically correlated with efficiency. See Barber et al., *supra*, at 285-86; Victor L. Bernard et al., *Challenges to the Efficient Market Hypothesis: Limits to the Applicability of Fraud-on-the-Market Theory*, 73 Neb. L. Rev. 781, 796 (1994). As a result of this research, some courts have reduced the emphasis on market makers. See, *e.g.*, *Unger* v. *Amedisys Inc.*, 401 F.3d 316, 324 (5th Cir. 2005). But even these courts persist in considering other less reliable factors, and many other courts continue to use all the *Cammer* factors. See, *e.g.*, *In re Dynex Capital, Inc. Sec. Litig.*, No. 05 Civ. 1897, 2011 WL 781215, at *5 (S.D.N.Y. Mar. 7, 2011) (examining market makers).[11] And even the

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[10] Barber et al., *supra*, at 293 ("[G]iven that most efficiency drivers are correlated, as the volume of trade and firm size are, they cannot be considered as independent efficiency indicators").

[11] See also, *e.g.*, *In re HealthSouth Corp. Sec. Litig.*, 261 F.R.D 616, 635 (N D. Ala. 2009); *In re Infineon Techs. AG Sec. Litig.*, 266 F.R D. 386, 396-97 (N.D. Cal 2009).

Cammer factor most closely correlated with efficiency—the speed at which the stock incorporated other information in the past—may not say much about how quickly the market incorporated the information at issue in a particular case, because different types of information (and information disclosed through different sources) are incorporated at different rates.

This problem is compounded by the fact that many proxies closely correlated with efficiency do not actually test efficiency. See David Tabak, *Use and Misuse of Event Studies to Examine Market Efficiency* 2 (Apr. 30, 2010) (unpublished manuscript), *available at* www.nera.com/nera-files/PUB_Use_Misuse_of_Event_Studies_0410_final.pdf) (noting that, with the exception of response of prices to new information, "factors cited by courts are designed to be conditions that are likely to either be conducive to or the result of an efficient market"). Thus, their correlation with efficiency may be diminished in the future. For example, the studies noted above, which indicate that dollar trading volume is indicative of efficiency, were published in 1994. Since then, internet trading has risen in popularity, increasing the number of novice investors and adding to overall trading volume.[12] This added volume does not mean that the market became more efficient—in fact, internet traders and

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[12] See Brad M. Barber & Terrance Odean, *The Internet and the Investor*, 15 J. Econ. Persp. 41, 41, 47 (2001) (stating that "[f]rom 1995 through mid-2000, investors opened 12.5 million on-line brokerage accounts" and that evidence suggests that access to internet trading leads to a greater volume of trading); Gregory La Blanc & Jeffrey J. Rachlinski, *In Praise of Investor Irrationality*, *in* The Law and Economics of Irrational Behavior 542, 558-59 (Francesco Parisi & Vernon L. Smith eds. 2005).

day traders often add to stock volatility without causing the stock price to reflect available information any more quickly. See William O. Fisher, *Does the Efficient Market Theory Help Us Do Justice in a Time of Madness?*, 54 Emory L.J. 843, 930 (2005) (noting that "large trading volume does not—if significantly including day trading and other online retail brokerage transactions—signal that the mechanism for efficient market pricing is actively working on the stock price"). Thus, trading volume probably is not as closely correlated with efficiency now as it was in 1994.

The relationship between analyst following and efficiency has been questioned in light of a similar change in market circumstances. See *id.* at 966-68 (noting that analyst bias during the dot-com bubble of 1998-2001 rendered analyst following an unsound predictor of efficiency during that period). More broadly, because most of the *Cammer* factors "are largely *descriptive*, not *predictive*," and cannot "be used directly to predict efficiency," Rapp, *supra*, at 319, there is always a risk that changes such as the internet trading explosion will confound the factors' correlative strength. Because there inevitably will be lag time in understanding changes in the securities market, when such changes occur, courts may not apprehend their significance for years. Thus, courts' tests for efficiency may include factors that do not accurately reflect the operation of the market.

In addition, courts consider these factors in inconsistent ways. The caselaw is unclear about how much of a factor is necessary to show efficiency, or whether a combination of factors is required. Courts are "ill-equipped to determine and analyze the

fundamentals of market efficiency; *i.e.*, * * * 'how many' analysts [a]re needed to ensure that information concerning a company finds its way, through buy and sell recommendations, into the price of a company's stock, and 'how many' market makers [a]re needed to ensure the market's 'swift' incorporation of company news into the price of a company's stock." Paul A. Ferillo et al., *The "Less Than" Efficient Capital Markets Hypothesis: Requiring More Proof from Plaintiffs in Fraud-on-the-Market Cases*, 78 St. John's L. Rev. 81, 93 (2004). Thus, courts applying *Cammer* factors have come to disparate conclusions when evaluating similar facts. See Rapp, *supra*, at 309-317, 328. The result is "a massive hodgepodge of * * * outcomes." Ferillo, *supra*, at 102 (reviewing cases and concluding "most courts will come to very individual conclusions" on efficiency and find different factors persuasive).

In view of the difficulties courts face in determining the efficiency of markets, this Court should reconsider the role *Basic* has assigned to the efficiency determination in assessing reliance. As one scholar has observed:

> Given the well-acknowledged practical and conceptual difficulties of determining what is or is not a truly efficient market—various conundra that all stem from treating efficiency as a yes/no question rather than one that varies as a matter of degree depending on the type of issuer and the type of information—there are good reasons to want to avoid this sort of threshold inquiry.

Langevoort, *Theories*, *supra*, at 898-99. As set forth below, this Court should abandon *Basic*'s insistence

upon a showing of efficiency in favor of a showing that the particular misrepresentation caused a market distortion.

II. IN DETERMINING RELIANCE, COURTS SHOULD LOOK TO MARKET MOVEMENT CAUSED BY AN ALLEGED MISREPRESENTATION, RATHER THAN TO OVERALL MARKET EFFICIENCY

Judicial inquiry into market efficiency, despite its difficulties, might still be worthwhile if it were the most reliable means of establishing whether to apply the fraud on the market presumption. But it is not. Apart from the fact that courts have difficulty making determinations of efficiency, see *supra* at 22-26, ultimately, proving the efficiency of the market as a whole is only an indirect means of proving that the market relied on a particular statement. And as discussed below, determining whether a particular misstatement distorted the market is typically *easier* than demonstrating efficiency of the market as a whole. It is also a more direct means of inquiring into reliance, and a more reliable method of showing whether the complained-of fraud was, in fact, a "fraud on the market."

A. The Event Study Is the Best Available Tool to Examine Market Distortion and Show Reliance

The central issue in determining whether the fraud on the market presumption may be invoked is "whether the challenged disclosure artificially inflated ([or] deflated) the market price of the particular security. Inquiry into whether the market price was inflated ([or] deflated) replaces

individualized inquiry into the extent to which particular investors were aware of a challenged disclosure." Fischel, *Efficient Capital Markets*, *supra*, at 908. But even without relying on the general efficiency of markets, there remains a reliable and practicable method for courts to determine whether misstatements distorted the market: the event study.

"An event study is a regression analysis that measures the effect of an event, such as a firm's earnings announcement, on a firm's stock price." Allen Ferrell & Atanu Saha, *The Loss Causation Requirement for Rule 10b-5 Causes of Action: The Implications of* Dura Pharmaceuticals, Inc. v. Broudo, 63 Bus. Law. 163, 166 (2007). "[A]n event study [can] determine whether the alleged misrepresentations caused any statistically significant stock price movements when made or when a supposedly corrective disclosure was made, controlling for other possible causes of stock price movements (such as movements of the overall market) and random fluctuations." Daniel R. Fischel, *Market Evidence in Corporate Law*, 69 U. Chi. L. Rev. 94, 948 (2002). They "are commonly used to isolate the effects on the stock price of the disclosure of the withheld information." Janet Cooper Alexander, *The Value of Bad News in Securities Class Actions*, 41 UCLA L. Rev. 1421, 1433 (1994). Thus,

> [i]f an event study shows that a misrepresentation or a corrective disclosure had a statistically significant effect on the price of a stock, then the market may be said to have 'relied' on the misrepresentation. And, by the fraud-on-the-market theory, all of the investors who bought (or sold) the stock also 'relied' by buying or selling at

> a market price that included a component reflecting the falsity.

Fisher, *supra*, at 874. Conversely, if an event study shows that a misrepresentation or corrective disclosure[13] had no statistically significant effect on the stock price, then the market cannot be said to have relied on the misrepresentation.

The event study is the "gold standard" technique, for determining whether the market for a security relied on a misstatement. Madge S. Thorsen et al., *Rediscovering the Economics of Loss Causation*, 6 J. Bus. & Sec. L. 93, 109 (2006). It is accepted by courts, academics, the SEC, and even petitioner's own amici for that purpose. See *In re N. Telecom Ltd.*, 116 F. Supp. 2d 446, 460 (S.D.N.Y. 2000); *In re Oracle Sec. Litig.*, 829 F. Supp. 1176, 1181 (N.D. Cal. 1993); Mark L. Mitchell & Jeffry M. Netter, *The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission*, 49 Bus. Law. 545, 572-84 (1994) (describing SEC enforcement actions using event study analysis); Financial Economists' Amicus Br. 17-

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[13] When the fraud at issue involves an alleged omission or a misstatement to meet expectations (and accordingly has no affect on stock price), plaintiffs can use an event study to discern the market effect of the corrective disclosure. See David Tabak, *Loss Causation and Damages in Shareholder Class Actions: When It Takes Two Steps to Tango* 6 (May 27, 2004) (unpublished manuscript), *available at* http://www.nera.com/extImage/200405Tabak_Loss_Causation.pdf. However, amici do not contend that the presumption of reliance in cases of pure omissions created by *Affiliated Ute Citizens* v. *United States*, 406 U.S. 128 (1972), should be disturbed.

20 (recommending use of event studies as superior to a *Cammer*-type analysis to determine efficiency).[14]

Event studies are routinely employed to show that a market is efficient at the class-certification stage. See, *e.g.*, *Teamsters*, 546 F.3d at 207-10; *In re Xcelera.com Sec. Litig.*, 430 F.3d 503, 512-14 (1st Cir. 2005); *In re Nature's Sunshine Prods. Inc. Sec. Litig.*, 251 F.R.D. 656, 664-65 (D. Utah 2008). Such studies examine the market effect of various news items relating to an issuer; if the security "change[s] rapidly, and in the expected direction, in response to new information," it supports a finding of market efficiency. *Schleicher*, 618 F.3d at 684; *Teamsters*, 546 F.3d at 207-08 ("Evidence that unexpected corporate events or financial releases cause an immediate response in the price of a security has been considered 'the most important [] *Cammer* factor.'" (quoting *Xcelera.com*, 430 F.3d at 512)).

Thus, courts are already requesting, and plaintiffs are already providing, experts' event studies examining the effect of disclosures at the class-certification stage to prove that a market generally incorporates information into prices, to trigger the *Basic* presumption of reliance. But the same experts could conduct the same analyses to determine

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[14] See, *e.g.*, *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 245 F.R.D. 147, 170 (S.D.N.Y. 2007), *rev'd on other grounds*, 574 F.3d 29 (2d Cir. 2009) (finding "numerous courts have held that an event study is a reliable method for determining market efficiency"); Fischel, *Market Evidence*, *supra*, at 948 (describing an event study as a "simple statistical technique, used in thousands of academic studies and employed routinely in securities fraud litigation brought under the federal securities laws").

directly whether the alleged misstatement was incorporated into the stock price—the added step of determining efficiency as a general matter is unnecessary. Event studies can examine market effects of particular affirmative misstatements by looking to the effect at the time of disclosure; in cases such as this, or in cases involving omissions, they can look to the date the information was corrected. See David Tabak, *Making Assessments about Materiality Less Subjective Through the Use of Content Analysis* 4-5 (Mar. 13, 2007) (unpublished manuscript), *available at* http://www.nera.com/extImage/PUB_Tabak_Content_Analysis_SEC1646-FINAL.pdf.

Amici professors submit that a direct analysis of the market impact of a specific alleged misstatement, rather than examination of general market efficiency, is a more straightforward and reliable test for whether the fraud on the market theory should be invoked. Such an approach conforms *Basic* to current finance theory and research, and by limiting the over- and underinclusiveness of the current approach, offers a better balance between allowing meritorious class actions and preventing baseless ones at the outset.

Petitioner's law professor amici contend that, in cases involving multiple simultaneous disclosures as are at issue here, it is difficult to disentangle multiple disclosures using an event study. See Br. for Law Professors as Amici Curiae Supporting Petitioner 28-29. But while it may be more difficult in such instances to show price distortion as a result of a particular misstatement, there is no reason to think it is beyond the capability of event studies. See Frederick C. Dunbar & Arun Sen, *Counterfactual*

Keys to Causation and Damages in Shareholder Class Action Lawsuits, 2009 Wis. L. Rev. 199, 227-41 (2009) (noting that content analysis can separate and clarify the impact of multiple simultaneous events); Ferrell & Saha, *supra*, at 170 (explaining the use of shorter event windows to avoid confounding events); David I. Tabak & Frederick C. Dunbar, *Materiality and Magnitude: Event Studies in the Courtroom*, *in* Litigation Services Handbook 19.2 (Roman L. Weil et al. eds., 2001) (noting that economists can disentangle the effects of multiple announcements on a single day if the effect of nonfraudulent announcements on that day can be estimated, perhaps through analogs on other days). Indeed, petitioner's expert in this case did not state that an event study disaggregating the effect of simultaneous disclosures would have been difficult (much less impossible), but only that plaintiffs never asked her to undertake one. See *Archdiocese of Milwaukee Supporting Fund, Inc.* v. *Halliburton Co.*, 597 F.3d 330, 342 (5th Cir. 2010). Any claim that event studies of simultaneous information disclosures are too difficult to undertake would ring hollow in light of the fact that such studies would be important for proving loss causation or materiality on the merits.

Petitioner's amici law professors and financial economists also suggest that requiring event studies at the class-certification stage is inappropriate because they may require evidence obtainable only through discovery. See Br. for Law Professors as Amici Curiae Supporting Petitioner 28-29; Financial Economists' Amicus Br. 31-33. But these amici together identify only one purported example of information useful for conducting an event study that would be obtainable only through discovery—the

identity of competing or peer firms. Br. for Law Professors as Amici Curiae Supporting Petitioner 28-29 (citing Jonathan Klick & Robert H. Sitkoff, *Agency Costs, Charitable Trusts, and Corporate Control: Evidence from Hershey's Kiss-Off*, 108 Colum. L. Rev. 749, 806-14 (2008), to illustrate the use of competitor information in an event study). That argument misses the mark. The very research Petitioner's amici professors cite as illustrative used publicly available data to determine relevant competitors. See Klick & Sitkoff, *supra*, at nn.250-51 and accompanying text ("We took our roster of Hershey's chocolate rivals from Google Finance * * * and Yahoo! Finance."). And because event studies examine *publicly* disseminated information and its effect on *public* markets, the role of undisclosed *private* information is negligible. Petitioner's amici professors cite no compelling examples of circumstances in which plaintiffs would require nonpublic information to complete an event study, and their own scholarship suggests it would be difficult to identify one. See Merritt B. Fox, *After* Dura*: Causation in Fraud-on-the-Market Actions*, 31 J. Corp. L. 829, 869 (2006) ("Evidence concerning the market acceptance of the misstatement as true should be available to plaintiffs without discovery and so requiring specific allegations with respect to this matter would not necessarily be very burdensome.").

Petitioner's amici law professors further claim that even if discovery would not lead to evidence essential to an event study, it could unearth other evidence, such as proof that a defendant manipulated the timing of disclosures to conceal the effect of a misstatement. See Br. for Law Professors as Amici

Curiae Supporting Petitioner 28-29. This argument is unavailing. Such evidence would show only that a company may have intended to obscure price distortion, not that price distortion actually occurred. To the extent such manipulation frustrates the operation of the securities laws, the solution is not to excuse plaintiffs from their evidentiary burdens.

B. Because the Proposed Class Has the Burden of Persuasion on Class Certification under Rule 23, It Should Have to Show That the Alleged Misrepresentation Caused Market Distortion at the Class-Certification Stage

"In addition to satisfying Rule 23(a)'s prerequisites, parties seeking class certification must show that the action is maintainable under Rule 23(b)(1), (2), or (3)." *Amchem Prods., Inc.* v. *Windsor*, 521 U.S. 591, 614 (1997). Thus, when plaintiffs wish to file a class action under Rule 23(b)(3), it is their burden to show that common questions "predominate over any questions affecting only individual members." Fed. R. Civ. P. 23(b)(3). In the context of Rule 10b-5 class actions, it follows that it is plaintiffs' burden to show that common questions of reliance predominate over reliance questions affecting individual class members. Demonstrating applicability of the fraud on the market presumption is therefore plaintiffs' burden. See *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 485 (2d Cir. 2008) (discussing whether "plaintiffs had met their burden for invoking the fraud-on-the-market presumption"). This showing must be made before certification. See *Szabo* v. *Bridgeport Machs., Inc.*, 249 F.3d 672, 676 (7th Cir. 2001). Therefore, just as plaintiffs are required to demonstrate market

"efficiency" at the class-certification stage, see, *e.g.*, *Gariety* v. *Grant Thornton, LLP*, 368 F.3d 356, 368 (4th Cir. 2004), so should they be required to show market distortion to invoke the fraud on the market presumption.

Amici do not suggest that plaintiffs be subjected to a "preliminary inquiry into the merits of a suit." *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156, 177 (1974). Rather, because the fraud on the market presumption must be invoked at the class-certification stage, it is "necessary for the court to probe behind the pleadings before coming to rest on the certification question." *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 160 (1982); see also *Coopers & Lybrand* v. *Livesay*, 437 U.S. 463, 469 (1978) ("[T]he class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action.") (internal quotation marks omitted). As the Second Circuit has observed, *Eisen* is "properly understood to preclude consideration of the merits only when a merits issue is unrelated to a Rule 23 requirement." *In re Initial Public Offerings Sec. Litig.*, 471 F.3d 24, 41 (2d Cir. 2006). Accordingly, "there is no reason to lessen a district court's obligation to make a determination that every Rule 23 requirement is met before certifying a class just because of some or even full overlap of that requirement with a merits issue." *Id.*; accord *Love* v. *Turlington*, 733 F.2d 1562, 1564 (11th Cir. 1984) ("While it is true that a trial court may not properly reach the merits of a claim when determining whether class certification is warranted, this principle should not be talismanically invoked to artificially limit a trial court's examination of the factors necessary to a reasoned determination of

whether a plaintiff has met her burden of establishing each of the Rule 23 class action requirements."). Such is the case here.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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F/K/A ARCHDIOCESE OF MILWAUKEE
SUPPORTING FUND, INC.,

Petitioner,

v.

HALLIBURTON CO. AND DAVID J. LESAR,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

BRIEF OF NATIONAL ASSOCIATION OF SHAREHOLDER AND CONSUMER ATTORNEYS AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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I. INTEREST OF *AMICUS CURIAE*

The National Association of Shareholder and Consumer Attorneys ("NASCAT") is a nonprofit membership organization founded in 1988. NASCAT's member law firms represent both institutional and individual investors in securities fraud and shareholder derivative cases throughout the United States. NASCAT and its members are committed to representing victims of corporate abuse, fraud and white collar criminal activity in cases with the potential to advance the state of the law, educate the public, modify corporate behavior and improve access to justice and compensation for those who have suffered injury at the hands of corporate wrongdoers. NASCAT advocates the principled interpretation and application of the federal securities laws – including the Securities Exchange Act of 1934, 15 U.S.C. § 78a *et seq.* ("Exchange Act") – to protect investors from manipulative, deceptive and fraudulent practices and to ensure this nation's capital markets operate fairly and efficiently.[1]

Comprised of attorneys whose practice focuses in substantial part on the application of the federal

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[1] In accordance with Supreme Court Rule 37.3(a), counsel for NASCAT represent that all parties in this case have filed letters with the Clerk giving blanket consent to the filing of *amicus curiae* briefs. Additionally, pursuant to Rule 37.6 of this Court, counsel for NASCAT represent that no counsel for a party authored this brief in whole or in part and no one other than NASCAT, its members or its counsel made a monetary contribution to the preparation or submission of this brief.

securities laws, NASCAT has a deeply-rooted interest in the central issue this case presents: whether securities class plaintiffs attempting to invoke a classwide presumption of reliance premised on the fraud-on-the-market doctrine must, in addition to showing the market in which the subject security traded was "efficient" during the relevant period, demonstrate loss causation at the class certification stage, as the Fifth Circuit Court of Appeals demands. NASCAT agrees with Petitioner's arguments against adoption of the Fifth Circuit's misguided and doctrinally unsound standard. NASCAT writes separately to inform this Court of the serious burden plaintiffs already face, even without the errant loss causation requirement the Fifth Circuit has created, to trigger the fraud-on-the-market presumption at the class certification stage. Additionally, this brief emphasizes the important distinction between reliance – which, in class cases arising under Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), is necessarily entwined with the fraud-on-the-market presumption – and loss causation, which is not.

II. SUMMARY OF ARGUMENT

For class plaintiffs asserting claims under Section 10(b) of the Exchange Act and Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated thereunder by the Securities and Exchange Commission ("SEC"), satisfying the predominance requirement of Rule 23 of the Federal Rules of Civil Procedure would prove a

virtually insurmountable hurdle without the class-wide presumption of reliance afforded by the fraud-on-the-market doctrine, which this Court endorsed in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988). Commensurate with the evidentiary benefit the presumption provides, investors bear the burden of demonstrating the availability of the presumption for class certification purposes. To do so, they must show the security at issue traded in an "efficient" market. The purpose of the market efficiency inquiry is to assess whether the market for the subject security possesses characteristics rendering it logical and reasonable to presume that defendants' material misrepresentations were disseminated to investors through the price of the security and that investors, in relying on the integrity of the market price to purchase or sell the security, inherently relied on the misrepresentations.

Establishing market efficiency requires a fact-intensive analysis of some or all of the following well-accepted factors: (1) average weekly trading volume of the stock during the proposed class period; (2) number of securities analysts following and reporting on the stock during the proposed class period; (3) the existence of "market makers" and arbitrageurs, who react quickly to company-specific disclosures and drive the stock price accordingly; (4) whether the company was eligible to file a Form S-3 short-form securities registration statement, generally limited to corporations whose stock is actively traded and widely followed; (5) a causal relationship between new or unexpected company-related disclosures and a reaction of the price of the company's stock; (6) the company's market capitalization; (7) the "bid-ask

spread," or the difference between the price investors are willing to pay for the stock and the price at which current shareholders are willing to sell their shares; and (8) the company's "float," or the percentage of shares not owned by company insiders.

Given the complexity involved in evaluating market efficiency, parties attempting to establish or refute its existence with respect to a particular security often proffer expert analysis – in the form of reports or affidavits – regarding the efficiency factors. Indeed, parties commonly rely on expert "event studies" assessing the causal relationship (or lack thereof) between new or unexpected company-related disclosures and reaction of the stock price – which comprises the keystone of the market efficiency analysis. Plaintiffs thus face a serious task and meaningful burden to justify the availability of the presumption of reliance.[2]

In light of the nature and function of the market efficiency inquiry, the Fifth Circuit's requirement that, to trigger the fraud-on-the-market presumption, plaintiffs must make a factual showing sufficient to demonstrate loss causation is improper. The Fifth Circuit's approach contravenes this Court's jurisprudence regarding reliance and loss causation and imposes an unduly restrictive standard for plaintiffs to establish predominance under Rule 23. This Court

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[2] While this brief generally refers to "stock," the use of that term is not intended to suggest the market efficiency analysis does not, or cannot, apply to other securities.

therefore should reject the Fifth Circuit's draconian standard and reverse that court's decision overturning class certification in the case at bar.

III. ARGUMENT

A. This Court Has Endorsed A Rebuttable Presumption Of Reliance Premised On The Fraud-On-The-Market Doctrine, Which Allows Securities Class Plaintiffs To Meet The Predominance Requirement Of Rule 23.

In *Basic*, this Court endorsed the fraud-on-the-market doctrine as a mechanism for securities class plaintiffs to establish a rebuttable presumption of reliance for Section 10(b) claims. Drawing on, *inter alia*, its prior jurisprudence regarding reliance in the securities context as well as considerations of policy and fairness, the Court upheld the lower courts' application of the presumption of reliance in that case, declaring: "An investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price. Because most publicly available information is reflected in market price, an investor's reliance on any public material misrepresentations, therefore, may be presumed for purposes of a *Rule 10b-5* action." 485 U.S. at 247.[3]

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[3] The Court has since reaffirmed its recognition of a rebuttable presumption of reliance based on the fraud-on-the-market

(Continued on following page)

Plaintiffs in *Basic* alleged defendants' material misrepresentations in failing to properly apprise investors of a proposed merger transaction had created a "depressed" market for Basic stock and plaintiffs sold their shares in reliance on those misrepresentations. 485 U.S. at 228, 242. In granting class certification, the district court applied the fraud-on-the-market presumption of reliance, concluding "that with reference to each public statement and its impact upon the open market for Basic shares, common questions predominated over individual questions." *Id.* at 242. The Sixth Circuit, *inter alia*, affirmed the district court's order granting class certification. The Court of Appeals observed that the fraud-on-the-market theory "is based on two assumptions: first, that in an efficient market the price of a stock will reflect all information available to the public; and, second, that an individual relies on the integrity of the market price when dealing in that stock." *Levinson v. Basic Inc.*, 786 F.2d 741, 750 (6th Cir. 1986) (citation omitted), *vacated on other grounds*, 485 U.S. 224 (1988). The court concluded, "Here, the defendants made public, material misrepresentations and the plaintiffs sold Basic stock in an impersonal, efficient market. Thus the class . . . has established the threshold facts for proving their loss." *Id.* at 751.

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doctrine. *See Stoneridge Inv. Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008).

On certiorari, this Court echoed the pronouncements of lower courts that had adopted the fraud-on-the-market presumption. The Court stated, "Requiring proof of individualized reliance from each member of the proposed plaintiff class effectively would have prevented [the named plaintiffs] from proceeding with a class action, since individual issues then would have overwhelmed the common ones." *Basic*, 485 U.S. at 242; *accord Peil v. Speiser*, 806 F.2d 1154, 1160 (3d Cir. 1986) ("many courts have come to realize that, in certain situations, the requirement of showing direct reliance 'imposes an unreasonable and irrelevant evidentiary burden'") (quoting *Blackie v. Barrack*, 524 F.2d 891, 907 (9th Cir. 1975)). This Court further reasoned "our understanding of *Rule 10b-5*'s reliance requirement must encompass" the differences between "modern securities markets, literally involving millions of shares changing hands daily," and "the face-to-face transactions" early fraud cases contemplated. *Basic*, 485 U.S. at 243-44.

The Court observed that the fraud-on-the-market doctrine "is based on the hypothesis that, in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business"; misleading statements therefore will "defraud purchasers of stock even if the purchasers do not directly rely on the misstatements." *Id.* at 241-42 (citation and internal quotation marks omitted). The Court further explained:

> In face-to-face transactions, the inquiry into an investor's reliance upon information is into the subjective pricing of that information by that investor. With the presence of a market, the market is interposed between seller and buyer and, ideally, transmits information to the investor in the processed form of a market price. Thus the market is performing a substantial part of the valuation process performed by the investor in a face-to-face transaction. The market is acting as the unpaid agent of the investor, informing him that given all the information available to it, the value of the stock is worth the market price.

Id. at 244 (citation and internal quotation marks omitted). This Court therefore determined a presumption was warranted given the realities of open-market securities transactions, as requiring a plaintiff "to show . . . how he would have acted if omitted material information had been disclosed" or "if the misrepresentation had not been made" would "place an unnecessarily unrealistic evidentiary burden on the *Rule 10b-5* plaintiff who has traded on an impersonal market." *Id.* at 245.

The Court also found the presumption "is consistent with, and, by facilitating *Rule 10b-5* litigation, supports, the congressional policy embodied in the 1934 [Exchange] Act," as Congress had "expressly relied on the premise that securities markets are affected by information, and enacted legislation to facilitate an investor's reliance on the integrity of

those markets." *Id.* at 245-46. Furthermore, observing that empirical studies "have tended to confirm Congress'[s] premise that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations," the Court noted the general acceptance of the fraud-on-the-market theory by courts considering it as well as by commentators. *Id.* at 246-47.

Based on its acceptance (for securities law purposes) of the general economic principles underlying the fraud-on-the-market doctrine and the policy considerations favoring a presumption of reliance, this Court endorsed the application of the presumption where the market for a security is "impersonal" and "well-developed" and the security price reflects "most publicly available information." *Id.* at 247. In other words, to trigger the fraud-on-the-market presumption of reliance, investors must demonstrate the market for the subject security was "efficient" during the period relevant to the litigation.

B. Availability Of The *Basic* Presumption Turns On Whether The Security At Issue Traded In An "Efficient" Market.

Courts generally regard a showing of market efficiency – *i.e.*, that the security at issue traded in an "efficient" market – as the central factor in deeming the presumption of reliance available to plaintiffs at class certification. *See, e.g.*, *Schleicher v. Wendt*, 618

F.3d 679, 688 (7th Cir. 2010) (Easterbrook, C.J.) ("The district court assured itself that the market for Conseco's stock was thick enough to transmit defendants' statements to investors by way of the price. That finding supports use of the fraud-on-the-market doctrine as a replacement for individual reading and reliance on defendants' statements."); *In re Mills Corp. Sec. Litig.*, 257 F.R.D. 101, 106 (E.D. Va. 2009) ("[T]o be entitled to the presumption, Plaintiffs need only demonstrate that the company's shares traded in an efficient market."); *Cheney v. CyberGuard Corp.*, 213 F.R.D. 484, 496-502 (S.D. Fla. 2003) (finding predominance under Rule 23(b)(3) via application of fraud-on-the-market doctrine, "since the evidence support[ed] the position that CyberGuard stock was traded in an efficient market"). Only where market efficiency exists "may a court presume reliance and avoid individualized inquiries." *Gariety v. Grant Thornton, LLP*, 368 F.3d 356, 368 (4th Cir. 2004); *see also Schleicher*, 618 F.3d at 684; *In re Xcelera.com Sec. Litig.*, 430 F.3d 503, 507 (1st Cir. 2005); *Hayes v. Gross*, 982 F.2d 104, 107 (3d Cir. 1992); *Freeman v. Laventhol & Horwath*, 915 F.2d 193, 198 (6th Cir. 1990).

This Court in *Basic* did not define an "efficient" market – beyond indicating it is "impersonal" and "well-developed" (or "open and developed")[4] – nor did

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[4] 485 U.S. at 241, 246-47 (citation and internal quotation marks omitted).

the Court endorse any particular method of determining market efficiency. *See* 485 U.S. at 246 n.24 ("We need not determine by adjudication what economists and social scientists have debated through the use of sophisticated statistical analysis and the application of economic theory. For purposes of accepting the presumption of reliance in this case, we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices."); *id.* at 248 n.28 ("By accepting this rebuttable presumption, we do not intend conclusively to adopt any particular theory of how quickly and completely publicly available information is reflected in market price.").[5] Federal appellate courts, however, have expounded on the efficient market concept and its application in securities cases.

The First Circuit has observed that the efficient market hypothesis began as "an academic attempt" to determine whether "an ordinary investor" can "beat

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[5] An "open" market "is one in which anyone, or at least a large number of persons, can buy or sell." *Freeman*, 915 F.2d at 198 (citation and internal quotation marks omitted). A "developed" market "is one which has a relatively high level of activity and frequency, and for which trading information (e.g., price and volume) is widely available." *Id.* (citation and internal quotation marks omitted). A developed market is "principally a secondary market in outstanding securities" and "usually, but not necessarily, has continuity and liquidity (the ability to absorb a reasonable amount of trading with relatively small price changes)." *Id.* at 198-99 (citation and internal quotation marks omitted).

the stock market," *i.e.*, "can such an investor make trading profits on the basis of new information?" *In re PolyMedica Corp. Sec. Litig.*, 432 F.3d 1, 8 (1st Cir. 2005). Where a market is efficient, "the answer is 'no,' because the information that would have given the investor a competitive edge and allowed the investor to 'beat' the market is already reflected in the market price." *Id.* Consequently, there is "no 'bargain' from which an investor can benefit." *Id.*; *see also* Burton G. Malkiel, *The Efficient Market Hypothesis and Its Critics*, 17 J. ECON. PERSP. 59, 60 (2003) (defining "efficient financial markets" to mean "such markets do not allow investors to earn above-average returns without accepting above-average risks").

Echoing other courts and commentators, the First Circuit further explained that the concept of market efficiency contemplates three "competing" versions: "weak, semi-strong, and strong," each of which "makes a progressively stronger claim about the kind of information that is reflected in stock price." *PolyMedica*, 432 F.3d at 10 n.16. The weak form holds "an efficient market is one in which historical price data is reflected in the current price of the stock, such that an ordinary investor cannot profit by trading stock based on the historical movements in stock price." *Id.* The semi-strong form conceives an efficient market as "one in which all publicly available information is reflected in the market price of the stock, such that an investor's efforts to acquire and analyze public information (about the company, the industry, or the economy, for instance) will not

produce superior investment results." *Id.* The strong form views an efficient market as "one in which stock price reflects not just historical price data or all publicly available information, but all possible information – both public and private." *Id.*

Lower courts have observed that the fraud-on-the-market doctrine endorsed in *Basic* rests on the semi-strong form, which comprises the "prevailing definition of market efficiency." *Id.* Under the semi-strong market efficiency standard, in an efficient market, "the market price has integrity[;] . . . it adjusts rapidly to reflect all new information." *Gariety*, 368 F.3d at 367 (alteration and ellipsis in original) (citation and internal quotation marks omitted); *see also Eckstein v. Balcor Film Investors*, 8 F.3d 1121, 1129-30 (7th Cir. 1993) (Easterbrook, J.) ("We call a market 'efficient' because the price reflects a consensus about the value of the security being traded – not necessarily because the price captures the true value of the firm's assets but because the price is the best available device to assess the significance of additional bits of information.").

To trigger the *Basic* presumption of reliance, then, plaintiffs must demonstrate that the market price of the security at issue reflects publicly available information – in other words, the market for the security possesses "'informational efficiency.'" *PolyMedica*, 432 F.3d at 19; *see also Schleicher*, 618 F.3d at 682 ("*Basic* concluded that the price of a well-followed and frequently traded stock reflects the public information available about a company"); *Freeman*, 915

F.2d at 197 ("The fraud on the market theory rests on the assumption that the price of an actively traded security in an open, well-developed, and efficient market reflects all the available information about the value of a company."). Moreover, in an informationally efficient market, the price of a security "rapidly reflects ***new*** information in price." *Freeman*, 915 F.2d at 199 (emphasis added) (citation and internal quotation marks omitted); *see also In re Nature's Sunshine Prods. Inc. Sec. Litig.*, 251 F.R.D. 656, 661 (D. Utah 2008) (the fraud-on-the-market theory "assumes that in an efficient market, all the available information about the company is quickly reflected in the price at which people are willing to buy and sell the stock"); *In re DVI Inc. Sec. Litig.*, 249 F.R.D. 196, 210 (E.D. Pa. 2008) ("In considering the efficiency of the market for a security, courts often focus on whether the security's price reacted quickly to significant corporate events and disclosures.").

Notably, the viability of the fraud-on-the-market doctrine does not turn on "perfect" efficiency, an unrealistic notion. Rather, the core principle underlying the efficient market hypothesis – that the market price of a security reflects available public information and therefore possesses "integrity" – reasonably allows for a presumption of reliance regardless of market imperfections because whatever anomalies exist in the market are insignificant and do not allow market participants to exploit them effectively. *See* Malkiel, *Efficient Market Hypothesis*, 17 J. ECON. PERSP. at 72 ("Any truly repetitive and exploitable pattern that can be discovered in the stock market

and can be arbitraged away will self-destruct."); *Eckstein*, 8 F.3d at 1129 ("The price in an open and developed market ***usually*** reflects all available information, because the price is an outcome of competition among knowledgeable investors.") (emphasis added); *Peil*, 806 F.2d at 1161 n.10 ("The 'fraud on the market' theory rests on the assumption that there is a ***nearly*** perfect market in information, and that the market price of stock reacts to and reflects the available information.") (emphasis added); *In re Res. Am. Sec. Litig.*, 202 F.R.D. 177, 190 (E.D. Pa. 2001) ("Commentators have noted that an efficient market cannot be perfectly efficient.") (citing Richard A. Booth, *The Efficient Market, Portfolio Theory, and the Downward Sloping Demand Hypothesis*, 68 N.Y.U. L. REV. 1187, 1195 (1993)). Moreover, that "[i]t takes some amount of time for new information to get incorporated into the price of a security" does not render a market inefficient. *Res. Am.*, 202 F.R.D. at 190.

Similarly, consistent with courts' acceptance of the "informational efficiency" approach to defining whether a market is efficient, plaintiffs need not make a more demanding showing that the market for the security at issue embodies "'fundamental value efficiency.'" *PolyMedica*, 432 F.3d at 19 (rejecting fundamental value approach). The latter standard would require that the market "respond to information not only quickly but accurately, such that the market price of a stock reflects its fundamental value." *Id.*; *accord In re Accredo Health, Inc., Sec.*

Litig., No. 03-2216 DP, 2006 U.S. Dist. LEXIS 97621, at *30-31 (W.D. Tenn. Mar. 7, 2006) ("the few cases that have addressed this issue have squarely rejected this fundamental value approach") (citing cases); *In re VeriFone Sec. Litig.*, 784 F. Supp. 1471, 1479 n.7 (N.D. Cal. 1992), *aff'd*, 11 F.3d 865 (9th Cir. 1993).

As further detailed below, plaintiffs attempting to utilize the fraud-on-the-market presumption – thereby alleviating the burden of demonstrating actual reliance by each class member – must undertake the concomitantly serious task of establishing the efficiency of the relevant market at the class certification stage. The prevailing standard for assessing market efficiency imposes a meaningful burden for plaintiffs to carry.

C. Courts Assessing Market Efficiency At The Class Certification Stage Engage In A Fact-Intensive Analysis.

Resolution of the question of market efficiency – the analytical engine powering the fraud-on-the-market vehicle – is often the key determinant to class certification in a securities fraud case. Given the significance of the fraud-on-the-market presumption to plaintiffs' ability ultimately to establish reliance at trial, "courts at the class certification stage probe the factual basis of the . . . presumption to make sure it will be a viable form of proof in a given case." *In re New Motor Vehicles Canadian Exp. Antitrust*

Litig., 522 F.3d 6, 25 (1st Cir. 2008). Plaintiffs bear the burden at the class certification stage of demonstrating the existence of market efficiency, and the court does not "simply presume[ ] the facts in favor of an efficient market based on bare allegations raised in the plaintiff's complaint." *Xcelera.com*, 430 F.3d at 512 (citation and internal quotation marks omitted).

Market efficiency "is a complex issue that requires an analysis of numerous factors." *Lehocky v. Tidel Techs., Inc.*, 220 F.R.D. 491, 505 (S.D. Tex. 2004). While expert analysis is not expressly required to demonstrate (or refute) market efficiency, it has become a regular part of the inquiry. *See In re Countrywide Fin. Corp. Sec. Litig.*, Lead Case No. CV-07-05295-MRP (MANx), 2009 U.S. Dist. LEXIS 129807, at *85 n.75 (C.D. Cal. Dec. 9, 2009) ("There is no requirement for expert testimony on the issue of market efficiency, but many courts have considered it when addressing [the *Basic* presumption], which may often benefit from statistical, economic, and mathematical analysis.") (alteration in original) (citation and internal quotation marks omitted); *Lehocky*, 220 F.R.D. at 505 ("Federal courts typically look to expert testimony to decide th[e] [market efficiency] issue."). Plaintiffs typically offer expert reports or affidavits to support the existence of market efficiency, with defendants often putting forth opposing experts. *See, e.g.*, *PolyMedica*, 432 F.3d at 5-6 (where district court "went well beyond the four corners of the pleadings,

considering both parties' expert reports and literally hundreds of pages of exhibits focused on market efficiency," First Circuit held district court "was entitled to look beyond the pleadings in its evaluation of the applicability of the fraud-on-the-market presumption of reliance, and its resolution of the class-certification question"); *In re HealthSouth Corp. Sec. Litig.*, 257 F.R.D. 260, 272, 276 (N.D. Ala. 2009) (observing at class certification stage that while the court "did not accept the Defendants' suggestion that it hold an evidentiary hearing," the court "did consider hundreds if not thousands of pages of expert reports, affidavits, and exhibits, as well as extensive briefs" and "the focus of much of the written and oral debate centered on" whether fraud-on-the-market presumption applied).

Courts have avoided adopting a canonical set of factors as indicative of market efficiency (or a lack thereof), instead recognizing the determination demands "a fact-dominated inquiry." *PolyMedica*, 432 F.3d at 5. However, Courts of Appeals and district courts generally look to the criteria utilized in *Cammer v. Bloom*, 711 F. Supp. 1264 (D.N.J. 1989), for guidance. *See, e.g.*, *Miller v. Thane Int'l, Inc.*, 615 F.3d 1095, 1103 (9th Cir. 2010) ("*Cammer* sets out five well-recognized factors designed to help make the central determination of efficiency in a particular market.") (citation and internal quotation marks omitted); *Teamsters Local 445 Freight Div. Pension Fund v. Bombardier Inc.*, 546 F.3d 196, 204 n.11 (2d Cir. 2008) (observing that the *Cammer* factors "have been routinely applied by district courts considering

the efficiency of equity markets"); *Xcelera.com*, 430 F.3d at 508 (in affirming grant of class certification, First Circuit approved of district court's reliance on *Cammer*, "which tracks the definition [of market efficiency] we adopted in *PolyMedica*"); *Gariety*, 368 F.3d at 368 (citing *Cammer* factors); *Hayes*, 982 F.2d at 107 n.1 (noting *Cammer*'s "thorough analysis").

In *Cammer*, the district court set forth criteria for judging whether the defendant company "traded in an efficient market." 711 F. Supp. at 1285-86. As an initial matter, the court reasoned "[i]t would be illogical to apply a presumption of reliance merely because a security is traded within a certain 'whole market', without considering the trading characteristics of the individual stock itself." *Id.* at 1281. The court stated that while the location where a stock trades – *e.g.*, on an over-the-counter-market or a national exchange – "might be relevant," it "is not dispositive of whether the current price reflects all available information." *Id.* at 1281 (internal quotation marks omitted). The court noted, however, "certain underlying characteristics" of an efficient market "more often than not will be associated with companies listed on national exchanges." *Id.* at 1281 n.26.

The court detailed five factors that might indicate market efficiency:

First, the court cited "an average weekly trading volume during the class period in excess of a certain number of shares," explaining "an actively traded market, as evidenced by a large weekly volume of stock trades, . . . implies significant investor interest

in the company," which in turn "implies a likelihood that many investors are executing trades on the basis of newly available or disseminated corporate information." *Id.* at 1286. In that regard, "[t]urnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for the security is an efficient one; 1% would justify a substantial presumption." *Id.* at 1293 (quoting 4 ALAN R. BROMBERG & LEWIS D. LOWENFELS, BROMBERG AND LOWENFELS ON SECURITIES FRAUD AND COMMODITIES FRAUD § 8.6 (1988)).

Second, the existence of "a significant number of securities analysts" following and reporting on a company's stock during the class period "would imply, for example, the [reports the company issued] were closely reviewed by investment professionals, who would in turn make buy/sell recommendations to client investors." *Id.* at 1286. In that way, "the market price of the stock would be bid up or down to reflect the financial information contained in the . . . reports, as interpreted by the securities analysts." *Id.*

Third, "[t]he existence of market makers and arbitrageurs would ensure completion of the market mechanism," as those individuals "would react swiftly to company news and reported financial results by buying or selling stock and driving it to a changed price level." *Id.* at 1286-87;[6] *see also PolyMedica*, 432

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[6] Arbitrage is "[t]he simultaneous buying and selling of identical securities in different markets, with the hope of profiting from the price difference in those markets." BLACK'S

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F.3d at 9. ("The capacity of arbitrageurs to seek out new information and evaluate its effects on the price of securities distinguishes them from ordinary investors, who lack the time, resources, or expertise to evaluate all the information concerning a security. . . . In an efficient market, then, an ordinary investor who becomes aware of publicly available information cannot make money by trading on it because the information will have already been incorporated into the market by arbitrageurs.") (citations and internal quotation marks omitted).

Fourth, "it would be helpful" if the company whose stock is at issue "was entitled to file an S-3 Registration Statement in connection with public offerings or, if ineligible, such ineligibility was only because of timing factors rather than because the minimum stock requirements set forth in the instructions to Form S-3 were not met." *Cammer*, 711 F. Supp. at 1287. Form S-3 is a short-form securities registration statement reserved for companies that meet requirements the SEC has established, including timely filing of SEC reports for the 12 calendar months preceding the filing of the S-3 and a market

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LAW DICTIONARY 112 (8th ed. 2004). A market maker is "[o]ne who helps establish a market for securities by reporting bid-and-asked quotations." *Id.* at 990. It is "typically a specialist permitted to act as a dealer, a dealer acting in the capacity of block positioner, or a dealer who, with respect to a security, routinely enters quotations in an interdealer communication system or otherwise and is willing to buy and sell securities for the dealer's own account." *Id.*

capitalization of at least $75 million. *See* 17 C.F.R. § 239.13. "Generally speaking, it is the largest and most well known companies which register equity securities on Form S-3." *Cammer*, 711 F. Supp. at 1271 n.5; *see also Lehocky*, 220 F.R.D. at 509 ("Only corporations whose stock is actively traded and widely followed are allowed to use Form S-3."). As such, a company's eligibility to file Form S-3 constitutes "an important factor" weighing in favor of finding that the market for the company's stock is efficient. *Cammer*, 711 F. Supp. at 1285.[7]

Fifth, and finally, the court cited "a cause and effect relationship" between "unexpected" corporate events or financial disclosures and a rapid response in the price of the company's stock, as that connection "is the essence of an efficient market and the foundation for the fraud on the market theory." *Cammer*, 711 F. Supp. at 1287; *see also O'Neil v. Appel*, 165 F.R.D. 479, 502-03 (W.D. Mich. 1995) ("If a plaintiff can empirically demonstrate that stock prices regularly rose or fell in prompt response to market information, this fact would be significant in establishing an

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[7] "Even though the SEC relaxed its requirements for S-3 eligibility after the *Cammer* decision, courts continue to hold that S-3 eligibility is still an important factor in determining market efficiency," as courts have found "the SEC permits an S-3 Registration Statement only on the premise that the stock is already traded on an open and efficient market, such that further disclosure is unnecessary." *Teamsters Local 445 Freight Div. Pension Fund v. Bombardier, Inc.*, No. 05 Civ. 1898 (SAS), 2006 U.S. Dist. LEXIS 52991, at *35 (S.D.N.Y. Aug. 1, 2006) (footnote omitted) (citations and internal quotation marks omitted), *aff'd*, 546 F.3d 196 (2d Cir. 2008).

efficient market."); *Krogman v. Sterritt*, 202 F.R.D. 467, 477 (N.D. Tex. 2001) ("[I]n an efficient market, a stock's price remains relatively stable in the absence of news, and changes very rapidly as the market receives new and unexpected information.").

Notwithstanding its enumeration of those factors, the court in *Cammer* cautioned against drawing "bright line tests," such as "whether a company is listed on a national exchange or is entitled to register securities on SEC Form S-3," to help determine whether the stock at issue "trades in an 'open and efficient market.'" 711 F. Supp. at 1287. The court explained, "A well established and widely followed company may choose for any number of unrelated reasons not to list itself on a national exchange. Furthermore, there may be a company whose stock trades in an efficient market, but which just missed or recently failed to meet the qualifications for Form S-3 registrants." *Id.* The factors identified in *Cammer* thus serve as useful guideposts for assessing whether the market for a particular stock is efficient, although, given the fact-intensive nature of the market efficiency analysis, the *Cammer* indicia are neither dispositive nor exhaustive. *See Xcelera.com*, 430 F.3d at 511; *Simpson v. Specialty Retail Concepts, Inc.*, 823 F. Supp. 353, 355 (M.D.N.C. 1993) ("It is not necessary that a stock satisfy all five factors in order for the market in that stock to be efficient. Furthermore, while the *Cammer* factors are instructive, they are by no means exhaustive.") (citation omitted).

Courts addressing the market efficiency question generally consider some or all of the factors discussed in *Cammer* and sometimes look to others, including:

(1) the company's market capitalization, "calculated as the number of shares multiplied by the prevailing share price." *Krogman*, 202 F.R.D. at 478. That factor might indicate whether a market possesses efficiency "because there is a greater incentive for stock purchasers to invest in more highly capitalized corporations." *Id.*

(2) the bid-ask spread, comprising "the difference between the price at which investors are willing to buy the stock and the price at which current stockholders are willing to sell their shares." *Id.* A large bid-ask spread might indicate market ***in***efficiency "because it suggests that the stock is too expensive to trade." *Id.*

(3) the float, or "the percentage of shares held by the public, rather than insiders." *Id.* The smaller the float, "the less likely it is that the security's price accurately reflects all available public information because insiders are more likely to have access to private information relating to the security." *Menkes v. Stolt-Nielsen S.A.*, 270 F.R.D. 80, 97 n.21 (D. Conn. 2010).

The *Cammer*-plus factors, taken together, "seek to evaluate the two core requirements for an efficient market: large numbers of rational and intelligent investors, and important current information that is almost freely available to all participants." *Menkes*, 270 F.R.D. at 97 (citation and internal quotation

marks omitted). However, while all of the above-referenced elements are relevant to the efficiency determination, the fifth *Cammer* factor – the causal relationship between company-related disclosures and a prompt response in the company's stock price – is "in many ways, the most important." *Xcelera.com*, 430 F.3d at 512.

Plaintiffs attempting to demonstrate a causal relationship between "unexpected corporate events or financial releases" and stock price reaction often employ an expert-generated "event study," *i.e.*, "a regression analysis that examines the effect of an event" on the price of a company's stock. *RMED Int'l, Inc. v. Sloan's Supermarkets, Inc.*, No. 94 Civ. 5587 (PKL) (RLE), 2000 U.S. Dist. LEXIS 3742, at *22-23 (S.D.N.Y. Mar. 24, 2000), *aff'd*, 2000 U.S. Dist. LEXIS 4892 (S.D.N.Y. Apr. 17, 2000). More specifically, an event study analyzes "the association between news about a company (good, bad, or neutral) and stock price movements." Madge S. Thorsen, *et al.*, *Rediscovering the Economics of Loss Causation*, 6 J. BUS. & SEC. L. 93, 109 (2005/2006). The event study "attempts to determine whether ***new*** information correlates with a price movement – including the price movement's direction and, perhaps, magnitude." *Countrywide*, 2009 U.S. Dist. LEXIS 129807, at *104 (emphasis added). That correlation allows for an inference "that the new information has caused the price movement." *Id.*; *see also HealthSouth*, 257 F.R.D. at 281-82 (concluding plaintiffs' expert's event study demonstrated "that HealthSouth stock reacted

to the release of new, material information regarding HealthSouth and thus traded in an efficient market during the Class Period").

An event study essentially involves "three interrelated stages." Thorsen, *et al.*, *Rediscovering the Economics*, 6 J. BUS. & SEC. L. at 110. The first stage consists of a "review of all available public information, on a qualitative basis, to identify what investors would find 'material.'" *Id.* That stage "is guided by economic principles, literature, and the experience of the researcher." *Id.* The information "can come from analysts' reports, press releases, securities filings, news articles (newspapers and daily publications, as well as more general publications), and Internet bulletin board postings to the extent they appear to represent informed investors' perceptions." *Id.* The second stage of the event study "involves identification of the relevant market and guideline (or peer group companies) and the construction of a 'market model.' How the relevant market moved is compared to the movement of the stock. How the peer companies' stock moved is compared to the subject as well." *Id.* That process generates "a market model that predicts the daily return of the security based on the daily returns of an appropriate mix of market indices and an industry index." *Id.* The third stage of the study involves analysis of "the security's returns on identified event days or series of days" by observing "what the market and industry indices predicted and what the security actually did." *Id.* In other words, those statistical techniques "separate out the

impact of market and industry forces on the price so that the impact of all company-specific news (including news relating to the fraud) is isolated." *Id.*

An event study thus is "premised on analyzing whether there are statistically significant price movements in reaction to company specific news, market forces, and industry forces." *Id.* at 111. Notably, "analysis of a single day may not tell the whole story in some situations," such as (1) "where the dissipating impact of bad news" on the price of the security "is muted by prior leakage" of that information; (2) "where the dissipating impact of leakage is itself muted by confounding inflationary events such as denials by management"; or (3) in "omissions cases, where had the truth been known, the price would have dropped, and statistically significant price increases will therefore not be manifest." *Id.* To address those circumstances, "event studies may consider 'event windows' or several days over time, looking at joint statistical significance." *Id.* As a general matter, then, "if there are bits and pieces of bad news that cumulate over time, the aggregate effect will need to be considered." *Id.*

Courts have deemed such expert analysis useful in assessing market efficiency. *See In re NetBank, Inc., Sec. Litig.*, 259 F.R.D. 656, 673 n.9 (N.D. Ga. 2009) (observing that an event study "is the preferred and predominant method for assessing the . . . efficiency of any market") (ellipsis in original) (citation and internal quotation marks omitted). Indeed, "[a]n event study that correlates the disclosures of

unanticipated, material information about a security with corresponding fluctuations in price has been considered *prima facie* evidence of the existence of such a causal relationship." *Teamsters Local 445 Freight Div.*, 546 F.3d at 207-08 (citing *Xcelera.com*, 430 F.3d at 512-14, 516).

In *Xcelera.com*, for example, to demonstrate the cause-and-effect relationship between corporate information and stock price, plaintiffs' expert "presented the results of a sophisticated event study analyzing how Xcelera stock price reacted to company-specific events," listing "more than forty separate instances, thirty-six of which occurred during the Class Period, in which Xcelera stock price rose or fell . . . within one day of the release of company-specific information." 430 F.3d at 512-13 (footnote omitted). The study also examined "how Xcelera's stock price reacted to information in the industry and in the general stock market (the NASDAQ, which is the largest electronic, screen-based market in the world)." *Id.* at 512 n.10 (citation and internal quotation marks omitted).

Furthermore, in addition to a one-day stock price reaction window, the event study listed, "as a control, the effect of company-specific information over longer windows of two, three, and five days, respectively." *Id.* at 513 n.11. The First Circuit rejected defendants' argument that the multiple-day windows were "inconsistent with the requirement that an efficient market must rapidly reflect all publicly available information," as the event study "capture[d] the

same-day reaction of Xcelera's stock price to company-specific events." *Id.*; *see also Lehocky*, 220 F.R.D. at 506 & n.19 (observing that plaintiffs' expert, in conducting an event study, "identified two-day periods in which information pertaining to Tidel was released to the public and separated those two days from other two day periods in which there was no public information pertaining to Tidel," and noting plaintiffs' expert and defendants' expert "agreed that the use of such two-day periods and segregation of those two day periods into 'information days' and 'non-information days' was appropriate").[8]

Plaintiffs' expert, through the event study, "concluded that the Xcelera market reacted strongly – both positively and negatively – to new information concerning the company (including, but not limited to, disclosures at issue in th[e] case)" and, conversely, "found that re-releases of old information, such as secondary announcements about acquisitions or new investments, resulted in only a modest stock price reaction or no reaction at all." *Xcelera.com*, 430 F.3d at 513. The expert further supported his event study with two affidavits and testimony at a two-day

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[8] Courts have not adopted a dispositive temporal threshold for establishing the prompt or rapid reaction of stock price to material news relating to a company. The absence of a uniform standard accords with the fact-specific nature of the market efficiency inquiry as well as this Court's refusal "conclusively to adopt any particular theory of how quickly and completely publicly available information is reflected in market price." *Basic*, 485 U.S. at 248 n.28.

hearing partially devoted to the findings of the study. *Id.* at 514.

Econometric analysis of the type employed in *Xcelera.com* has become routine in securities cases. *See, e.g.*, *NetBank*, 259 F.R.D. at 673 (plaintiffs' expert submitted, *inter alia*, a 102-page event study containing, for each day within the period, "(1) the relevant date; (2) trading volume; (3) closing price; (4) percentage price change; (5) dollar amount price change; (6) NASDAQ bank index; (7) percentage index change; (8) predicted NetBank percentage change; (9) the residual, or actual minus predicted NetBank percentage change; (10) the dollar amount of the change in NetBank stock not explained by the NASDAQ bank index change; (11) whether there was a statistical significance between the NetBank and index change; and (12) the headlines of any news items issued on that date"); *In re Alstom SA Sec. Litig.*, 253 F.R.D. 266, 279-80 (S.D.N.Y. 2008) (court found market efficiency existed where, in addition to providing evidence related to the first four *Cammer* factors, plaintiffs proffered an expert who "conducted an event study comparing the day-to-day percentage change in Alstom's share prices that resulted from disclosures of new information and concluded that Alstom was over 6 times more likely to have a statistically significant stock return on a day with news

than on a day with no news") (citation and internal quotation marks omitted).[9]

A party attempting to establish (or disprove) the efficiency of the relevant market might also submit a "serial correlation test," which – while less common than an event study – offers "a statistical examination of the sequence of prices" of the subject stock during the class period "that tests for market efficiency by looking for trends in stock pricing." *Lehocky*, 220 F.R.D. at 506. Where a market is efficient, "there should be no trends because the market should be reacting quickly to new information, and new prices are being set quickly based upon the new information." *Id.* Conversely, a serial correlation in stock prices "lends to a finding of market inefficiency." *Id.* at 506-07 (court further observed that plaintiffs' expert's testing indicated a serial correlation of -.02, "a strong, highly statistically significant indication that the market for Tidel common stock was efficient during the class period"). *Cf. Countrywide*, 2009 U.S. Dist. LEXIS 129807, at *105-06 (stating "the presence of serial correlation suggests inefficiency" but "is not itself determinative of inefficiency").

As the foregoing discussion illustrates, securities plaintiffs seeking to invoke the fraud-on-the-market

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[9] These examples are not intended to endorse any particular factual threshold or level of analysis to demonstrate market efficiency. Rather, they simply illustrate the nature of the inquiry courts undertake and the types of information parties and their experts typically provide.

presumption of reliance already must carry a substantial burden at the class certification stage. As detailed below, by setting loss causation – an element of a Section 10(b) claim that is analytically distinct from reliance – as a foundational prerequisite of the fraud-on-the-market presumption, the Fifth Circuit has inordinately heightened the class certification hurdle. The Fifth Circuit's conflation of reliance and loss causation arises from a misconception of the nature of the market efficiency analysis and a distortion of this Court's prior jurisprudence, including *Basic*.

D. Market Efficiency And Loss Causation Are Distinct Concepts, And The Latter Should Not Be Conscripted As A Prerequisite To Triggering The Fraud-On-The-Market Presumption.

As explained above, market efficiency – universally recognized among courts as a foundational requirement to employing the fraud-on-the-market presumption – measures stock price reaction to new or unexpected information relating to the company at issue in the litigation. Whether a security trades in an efficient market determines whether plaintiffs are able to demonstrate reliance, or "transaction causation." *See Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 341 (2005) (noting reliance is "often referred to" in fraud-on-the-market cases "as 'transaction causation'"). Loss causation, on the other hand, refers to the "causal connection between the material

misrepresentation and the loss." *Id.* at 342. It is a distinct element of a Section 10(b) claim. *Id.*; *see also Lentell v. Merrill Lynch & Co.*, 396 F.3d 161, 172 (2d Cir. 2005) (explaining that transaction causation "is akin to reliance," meaning "that but for the claimed misrepresentations or omissions, the plaintiff would not have entered into the detrimental securities transaction," while loss causation "is the causal link between the alleged misconduct and the economic harm ultimately suffered by the plaintiff") (citations and internal quotation marks omitted). Similar to the tort concept of proximate cause, which embodies the element of foreseeability, the loss causation requirement "is intended to fix a legal limit on a person's responsibility, even for wrongful acts." *Lentell*, 396 F.3d at 174 (citation and internal quotation marks omitted).

Courts have expressed the differences between reliance and loss causation. Moreover, courts generally resist conflating those separate elements of a Section 10(b) claim. *See Schaaf v. Residential Funding Corp.*, 517 F.3d 544, 552 (8th Cir. 2008) (explaining distinction between transaction causation, which courts presume "when an investor buys or sells stock at a price set by a liquid market in reliance on the integrity of that price," and loss causation, as to which "plaintiffs must plead and prove that the loss was foreseeable and caused by the materialization of the concealed risk"); *Caremark, Inc. v. Coram Healthcare Corp.*, 113 F.3d 645, 648-49 (7th Cir. 1997) (noting allegation that investor "would not have

invested but for the fraud" addresses transaction causation, while for loss causation, investor must allege "that, but for the circumstances that the fraud concealed, the investment . . . would not have lost its value") (ellipsis in original) (citation and internal quotation marks omitted); *see also Robbins v. Koger Props., Inc.*, 116 F.3d 1441, 1448 (11th Cir. 1997) (observing Eleventh Circuit's cases "have not utilized the [fraud-on-the-market] theory to alter the loss causation requirement").

Indeed, this Court, in *Dura*, held securities plaintiffs cannot establish loss causation simply by proving "that the price *on the date of purchase* was inflated because of the misrepresentation." 544 U.S. at 342 (emphasis in original) (citation and internal quotation marks omitted). Plaintiffs in that case contended they properly pled loss causation by alleging "that the stock price on the date of purchase was inflated because of the misrepresentations or omissions and they would not have purchased the stock had they known about Defendants' wrongdoing." *In re Dura Pharms., Inc. Sec. Litig.*, No. 99cv0151-L(NLS), 2001 U.S. Dist. LEXIS 25907, at *31 (S.D. Cal. Nov. 2, 2001), *rev'd*, *Broudo v. Dura Pharms., Inc.*, 339 F.3d 933 (9th Cir. 2003), *rev'd*, 544 U.S. 336 (2005). Plaintiffs' allegation thus corresponded more closely to transaction causation than to loss causation.

This Court, however, held plaintiffs did not adequately allege loss causation, reasoning "[n]ormally, in cases such as this one (*i.e.*, fraud-on-the-market cases), an inflated purchase price will not itself constitute or proximately cause the relevant economic

loss." *Dura*, 544 U.S. at 342. Among the bases for its conclusion, the Court observed that "[j]udicially implied private securities fraud actions resemble in many (but not all) respects common-law deceit and misrepresentation actions" and the common law of deceit "has long insisted that a plaintiff . . . show not only that had he known the truth he would not have acted but also that he suffered actual economic loss." *Id.* at 343-44. The Court thus recognized the meaningful distinction between reliance (or transaction causation) and loss causation in securities cases – and refused to merge those elements.

Residing at the core of transaction causation in fraud-on-the-market cases, the concept of market efficiency likewise differs in nature from loss causation. The market efficiency inquiry attempts to discern whether it is logical to presume that investors' reliance on the price of the security in a given case is an adequate proxy for their reliance on the actual misstatements or omissions defendants disseminated. As such, the market efficiency analysis encompasses a general examination of the company involved, the market in which the company trades and the responsiveness of the price of the company's securities to new or unexpected material information; the inquiry addresses how investors reacted ***at the time company-related statements were made***.

The loss causation inquiry, by contrast, entails an examination of whether investors suffered losses once the revelation of the "truth" concealed by the alleged misrepresentations ultimately emerged. *See Miller*,

615 F.3d at 1102 ("the loss causation inquiry assesses whether a particular misstatement *actually* resulted in loss") (emphasis in original). The loss causation inquiry is thus inherently "historical and context-dependent." *Id.* None of the criteria courts typically evaluate to assess market efficiency – including whether a causal relationship between new or unexpected material information and a company's stock price movement exists – demands, or even countenances, the injection of loss causation as a *sine qua non* of invoking the fraud-on-the-market presumption.

Moreover, the substantive distinction between market efficiency and loss causation bears on the court's inquiry at the class certification stage. As the animating force behind the fraud-on-the-market presumption, market efficiency is susceptible of examination at class certification because the court must determine whether the class as a whole can utilize the presumption to establish reliance at trial. The presumption coheres the class for predominance purposes; without it, the class is beset by individualized issues of reliance and cannot proceed. A market efficiency determination – which does not equate to a ruling that plaintiffs have proven the facts necessary to utilize the presumption at trial, *PolyMedica*, 432 F.3d at 7 n.10 – therefore is essential to a court's decision on class certification. *See Castillo v. Envoy Corp.*, 206 F.R.D. 464, 471 (M.D. Tenn. 2002) (concluding "a preliminary determination as to the 'availability' or applicability of the presumption, which is distinct from its actual application, can be made at

th[e] [class certification] stage without dealing with the merits of the case").

Loss causation, however, is purely a merits issue that does not overlap with Rule 23 requirements. Moreover, it is provable or disprovable on a classwide basis. *See, e.g.*, *Schleicher*, 618 F.3d at 687 ("After a class has been certified, and other elements of the [Section 10(b)] claim have been established, the court will need to pin down *when* the stock's price was affected by any fraud. That decision . . . can be made on a class-wide basis, because it affects investors in common.") (emphasis in original); *accord In re Boston Scientific Corp. Sec. Litig.*, 604 F. Supp. 2d 275, 284 (D. Mass. 2009); *Ross v. Abercrombie & Fitch Co.*, 257 F.R.D. 435, 454-55 (S.D. Ohio 2009).

In light of the foregoing, and as analyzed in detail in Petitioner's brief, the Fifth Circuit's intertwining of loss causation and reliance distorts *Basic* and *Dura*. The Fifth Circuit's rogue approach embodies a fundamental misunderstanding of the disparate roles market efficiency and loss causation play in fraud-on-the-market securities cases. Moreover, plaintiffs, who already bear a serious burden to show market efficiency as a prerequisite to triggering the fraud-on-the-market presumption, should not be saddled with the onerous additional requirement of demonstrating loss causation at the class certification stage.

IV. CONCLUSION

For the foregoing reasons, in addition to the arguments and authorities set forth in Petitioner's brief, this Court should reject the Fifth Circuit's improper requirement that securities plaintiffs demonstrate loss causation as a prerequisite to invoking the fraud-on-the-market presumption of reliance at the class certification stage. Consequently, this Court should reverse the Fifth Circuit's decision overturning class certification in this case.

Respectfully submitted,

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AMICUS CURIAE BRIEF

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IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO.; DAVID J. LESAR,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

AMICUS CURIAE BRIEF OF THE NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS) IN SUPPORT OF PETITIONER

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QUESTIONS PRESENTED

1. Whether the Fifth Circuit correctly held that plaintiffs in private securities fraud actions must at class certification not only satisfy the requirements set forth in *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988) to invoke a rebuttable presumption of fraud-on-the-market, but must also establish loss causation by a preponderance of admissible evidence.

2. Whether the Fifth Circuit improperly considered the merits of the underlying litigation, in violation of both *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156 (1974) and Federal Rule of Civil Procedure 23, when it held that plaintiffs must establish loss causation at class certification to invoke the fraud-on-the-market presumption.

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INTEREST OF THE *AMICUS CURIAE*[1]

The National Conference on Public Employee Retirement Systems (hereinafter NCPERS) is a national organization focused on the preservation, growth and stability of public pension plans and funds. NCPERS is the largest non-profit public pension advocacy organization, representing over 500 governmental pension funds that manage nearly $3 trillion in pension assets. NCPERS was founded in 1941 to protect the pensions of public employees by representing public pension organizations on Capitol Hill, providing trustee education and providing essential pension information to trustees, administrators and public officials.[2]

Public employee pension funds have historically been among the most active institutional investors in the securities markets. More than $1.5 trillion of public pension assets are invested in equities of U.S. and foreign companies, while another $700 billion is invested in bonds issued by the U.S. government, foreign governments, and corporations.[3] Public employee pension funds have also

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1. As required by Supreme Court Rule 37.6, counsel certifies that this brief was not authored in whole or in part by counsel for any party, and no person or entity other than the *amicus curiae*, their members or undersigned counsel made a monetary contribution to the preparation or submission of this brief. The parties have filed blanket consents to the filing of all amicus briefs.

2. General information concerning NCPERS as well as specific data regarding its activities can be found at its website: www.ncpers.org.

3. "The Economic Effects of Public Pensions," National Association of State Retirement Administrators (www.nasra.org).

taken an active role in private securities fraud litigation.[4] As a result, NCPERS has taken a leadership role on behalf of its member retirement systems with respect to legislative and regulatory actions related to securities fraud through research, published studies and position papers, and the filing of *amicus* briefs.

Because NCPERS' constituents are among the most active investors in the capital markets, they are rightly concerned about the decision of the Fifth Circuit Court of Appeals in *The Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.; David J. Lesar*, 597 F.3d 330 (5th Cir. 2010), which threatens to dramatically alter the landscape of securities fraud litigation, which has functioned effectively following enactment of the Private Securities Litigation Reform Act of 1995 ("PSLRA") and subsequent judicial interpretation of the PSLRA.

As the largest holders of publicly traded capital in the United States, public pension plans are particularly sensitive to any action which undermines the security of those investments. The threat to the pension funds as shareholders and the resulting potential for officer and director misconduct, to the detriment of those funds, threatens the underlying assets which support the state constitutionally guaranteed benefits payable to millions of American public employees and retirees.

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4. Public employee pension funds are among the plaintiffs in many private securities fraud class action lawsuits, and have served as lead or co-lead plaintiffs in a number of such suits.

SUMMARY OF ARGUMENT

In the enforcement of the nation's securities laws by investors, Congress recognized that institutional investors like public employee pension plans would be the plaintiffs most likely to achieve the best result on a just basis for the most investors. See *In re Cendant Corporation Litigation*, 264 F.3d 201 (3rd Cir. 2001); Cox and Thomas, "Does the Plaintiff Matter? An Empirical Analysis of Lead Plaintiffs in Securities Class Actions," 106 Colum. L. Rev., 1587 (2006). Aware of their important and unique role in the ongoing battle against securities fraud, the public pension community is deeply concerned about any changes in the "rules of engagement" in securities litigation.

Like Congress, this Court has noted in a number of cases the critical role of private securities litigation in achieving the goals of the securities laws. See, for example, *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 345 (2005) (emphasizing the importance of the private right of action in securities cases in maintaining public confidence and deterring fraud); see, also, *Bateman, Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (stating that "private actions are a most effective weapon in the enforcement of the securities laws.").

In the intervening years following passage of the PSLRA, class action private securities litigation filed on behalf of institutional investors such as public employee pension funds has recovered untold millions of dollars, and has complemented efforts by such regulatory agencies as the Securities and Exchange Commission and the Department of Justice in exposing corporate fraud. In fact, several studies have looked at the relative

effectiveness of private securities fraud litigation versus SEC enforcement of the securities laws, and concluded that plaintiffs in securities fraud lawsuits achieve far greater success with respect to recovery than the SEC. (John C. Coffee, Jr., *Reforming the Securities Class Action: An Essay on Deterrence and Its Implementation*, 106 Colum. L. Rev. 1534, 1542-43, tbls. 2,3 (2006).

Subsequent federal legislation such as the Sarbanes-Oxley Act of 2002, as well as a growing body of judicial decisions, have resulted in well-established procedural, evidentiary, and substantive rules governing private securities fraud litigation. The particular rule at issue in this case – that the element of reliance in private securities litigation brought under a fraud-on the market theory is presumed when the information at issue becomes public – was first articulated by this Court in *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988), and reiterated in *Stonebridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148 (2008). The Fifth Circuit's holding in this case (which is based on its holding on its prior decision in *Oscar Private Equity Investments v Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007), a decision that has not been adopted by any other circuit, and that has been roundly criticized) marks a significant departure from this rule, and sets a dangerous precedent if permitted to stand. At a time when private and institutional investors alike are still reeling from staggering economic losses in the financial markets over the past five years, it is more critical than ever to preserve the viability of private securities litigation in maintaining the integrity of the marketplace.

Public employee pension funds occupy a unique position among institutional investors. Unlike other

institutional investors such as insurance companies or mutual funds, the assets of public employee pension funds are not derived from policyholder premiums or private investments, but from public employee and taxpayer contributions. When the security of public pension fund assets is threatened – whether from economic downturns, legislation, or corporate misconduct – it is often the public employees and taxpayers who eventually bear the burden of making up the shortfall.

ARGUMENT

1. THE FIFTH CIRCUIT DECISION WILL SIGNIFICANTLY IMPAIR THE ABILITY OF PUBLIC EMPLOYEE RETIREMENT FUND TRUSTEES TO FULFILL ONE OF THEIR FUNDAMENTAL FIDUCIARY RESPONSIBILITIES – PROTECTION OF THEIR FUNDS' ASSETS -- TO THE DETRIMENT OF THE MEMBERS AND BENEFICIARIES OF THOSE FUNDS AND THE GOVERNMENTAL ENTITIES WHICH SPONSOR THEM.

As of 2006, state and local government retirement plans served close to 26 million Americans, including 14.5 million active participants, 4 million inactive members and 7.3 million retirees and other beneficiaries receiving regular payments. Total benefit payments in 2006 were $151.7 billion, for an average benefit payment of $1,739.00 per month of $20,867.00 per year. (Boivie and Almeida, "Pensionomics - Measuring the Economic Impact of State and Local Government Retirement Plans," National Institute on Retirement Security, February 2009; http://www.nirsonline.org/index.)

In 2006, the total state and local government pension receipts were $392.8 billion, with government contributions totaling $64.5 billion, employee contributions of $32.7 billion, and earnings on investments accounting for $295.6 billion. Put differently, of the total state and local government pension fund receipts in 2006, 16.4% came from employer contributions, 8.3% from employee contributions, and 75.3% from investment earnings. *Id.*, (See also, U.S. Census Bureau. 2007. State and Local Government Employee-Retirement Systems, Washington, D.C.: U.S. Census Bureau - http://www.census.gov/govs/www/retire.html.)

The pattern of investments constituting the overwhelming source of pension assets has proven to be true over time. Between 1993 and 2006, 19.6% of pension receipts came from employer contributions, 10.8% from employee contributions and 69.6% from investment earnings. Earnings on investments have, therefore, historically made up the bulk of public pension fund receipts. (Boivie and Almeida, *supra* at 2.)

The decline in the capital markets in recent years, including losses attributable to officer and director misconduct, has significantly eroded the funding status of public plans. (Park, "Public Plan Asset Allocations," Employee Benefit Research Institute, Volume 30, No. 4, April 2009 - http://www.ebri.org/publications.)

The impact of resulting underfunding has been estimated over a 15-year horizon to be almost $2 trillion in 2005 dollars. (See, Marx and Rauh, NBER Working Paper Series, "The Intergenerational Transfer of Public Pension Promises," National Bureau of Economic Research, September 2008 - www.nber.org/paper/w14343.pdf.)

It is therefore abundantly clear that anything which threatens the financial security of the underlying assets of public employee retirement systems threatens the security of 25 million Americans. In addition, losses attributable to pension fund participation in the capital markets, particularly losses attributable to officer and director misconduct, go directly to the constitutionally guaranteed promise applicable in every state. Other specific state constitutional provisions relating to retirement or impairment of contract provisions have, in all fifty states, been interpreted to assure that public pension benefits are ultimately a taxpayer guarantee. (See, for example, Article XII, Section 7, Constitution of Alaska; Article I, Section 10, Florida Constitution; Article X, Section 29, Louisiana Constitution; and Article V, Section 7, New York Constitution.)

The decision of the Fifth Circuit Court of Appeals threatens the security of public pension fund assets invested in the capital markets by imposing an additional burden on lead plaintiffs in securities fraud litigation.

This Court has held that Congress "intended securities legislation ... to be construed not technically and restrictively, but flexibly to effectuate its remedial purposes." *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128, 151 (1972). By imposing an additional and substantial burden on plaintiffs to prove loss causation at the class-certification stage of litigation, the Fifth Circuit's holding essentially ignores the Court's holding in the *Utah* case. Further, the Fifth Circuit's approach has been rejected by both the Second and Seventh Circuit Courts of Appeal, as well as numerous federal district courts. See, for example, *In re Salomon Analyst Metromedia Litigation*, 544 F.3d 474, 483 (2d Cir 2008)(rejecting the

requirement that plaintiffs demonstrate loss causation at the certification stage), and *Schleicher v. Wendt*, 618 F.3d 679, 687 ("*Oscar Private Equity* represents a go-it-alone strategy by the fifth circuit. It is not compatible with this circuit's decisional law, and we disapprove its holding"). (internal citations omitted).

Among the fiduciary responsibilities of public employee pension fund trustees, few are as fundamentally important as the duty of stewardship – the duty to vigorously preserve and protect the assets of the fund. This duty informs virtually every decision trustees make with respect to the fund's assets, but it is particularly relevant to investment-related decisions. For this reason, trustees must exercise due-diligence and prudence when investing the funds' assets. Once the funds are invested, trustees must diligently monitor the performance of the assets. If the trustees become aware of possible investment fraud that affects the fund's investments, trustees are obligated to take reasonable and prudent measures to recover assets lost as a result of the fraud. One of these measures is participation in private securities fraud litigation, either as members of the class, or, as noted *supra*, as lead or co-lead plaintiffs. See, *In re California Micro Devices Securities Litigation*, 168 F.R.D. 276 (N.D. Cal. 1996); *Gluck v. Cellstar Corp.*, 976 F. Supp. 542 (N.D. Tex. 1997) (courts found public retirement plans particularly well suited serve as lead plaintiffs in private securities actions).

Forty five states (also including the District of Columbia and the Virgin Islands) have adopted the Uniform Prudent Investor Act which incorporates the modern portfolio management theory embodied by the Restatement 3d of Trusts. See, *Uniform Prudent Investor*

Act, References and Annotations (2011). This heightened standard of care in the management of pension assets requires greater reliance on third parties to invest pension assets. As a result, pubic pension trustees have a greater duty to vigorously protect the assets they have entrusted to the market to ensure that the fiduciary standards applicable to the trustees are also applied to those who manage the assets and run the companies whose issues are purchased. *Uniform Prudent Investor Act, Sections 3, 8-9.*

The Fifth Circuit's decision constitutes what amounts to an insurmountable judicial barrier to public employee fund trustees to ferret out and seek redress for investment fraud on behalf of their members, retirees, and beneficiaries as their respective governing laws require them to do. The Seventh Circuit correctly noted that the Fifth Circuit approach in *Oscar* and in the case below "would do more than just 'tighten' the requirements for class certification. It would make certification impossible in many securities suits." *Schleicher*, 618 F.3d 679, 686. The *Schleicher* court even took the extraordinary step of reprimanding the Fifth Circuit: "We do not think it appropriate for the judiciary to make its own further adjustments by reinterpreting Rule 23 to make likely success on the merits essential to class certification insecurities-fraud suits." *Id.* At 686.

CONCLUSION

For the above and foregoing reasons, *amicus curiae* respectfully urges that the decision of the Fifth Circuit Court of Appeal be reversed.

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AMICUS CURIAE BRIEF

No. 09-1403

IN THE

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BRIEF OF PHARMACEUTICAL RESEARCH AND MANUFACTURERS OF AMERICA (PhRMA) AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

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BRIEF OF PHARMACEUTICAL RESEARCH AND MANUFACTURERS OF AMERICA (PhRMA) AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

INTEREST OF *AMICUS CURIAE* [1]

The Pharmaceutical Research and Manufacturers of America (PhRMA) is a voluntary, nonprofit association that represents the country's leading research-based pharmaceutical and biotechnology

[1] As required by Supreme Court Rule 37.6, counsel certifies that no party's counsel authored this brief in whole or in part, and that no person or entity other than the *amicus curiae*, its members or undersigned counsel made a monetary contribution to the preparation or submission of this brief. Additionally, the parties have filed blank consents to the filing of all amicus briefs.

companies. PhRMA's members are dedicated to developing medicines and therapeutics that enable patients to lead longer, healthier, and more productive lives.[2] In 2010, PhRMA members invested approximately $49.4 billion (of an industry total of approximately $67.4 billion) in discovering and developing new medicines.[3] New medicines account for 40 percent of the increase in human lifespan between 1986 and 2000. *See* Frank R. Lichtenberg, *The Impact of New Drug Launches on Longevity: Evidence From Longitudinal, Disease-Level Data From 52 Countries, 1982-2001* 21 (Nat'l Bureau of Econ. Research, Working Paper No. 9754, 2003). PhRMA's mission is to advocate in support of public policies that encourage the discovery of life-saving and life-enhancing medications and products for patients.

PhRMA closely monitors legal issues that impact the pharmaceutical industry and has regularly participated as *amicus curiae* in cases before this Court. *See, e.g.*, *Schindler Elevator Corp. v. U.S. ex rel. Kirk*, No. 10-188 (U.S. argued Mar. 1, 2011); *Astra USA, Inc. v. Santa Clara County*, No. 09-1273 (U.S. Mar. 29, 2011); *Matrixx Initiatives, Inc. v. Siracusano*, No. 09-1156 (U.S. Mar. 22, 2011); *Merck & Co., Inc. v. Reynolds*, 130 S.Ct. 1784 (2010).

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[2] A list of PhRMA's members is *available at* http://www.phrma.org/about/member-companies.

[3] *See* Burrill & Co., *Analysis for PhRMA* (2011) (industry total includes PhRMA research associates and non-members); PhRMA, *Annual Member Survey* (Washington, DC: PhRMA, 2010-2011).

The issues this case presents are especially significant to PhRMA because a number of its members have borne the expense and burden of defending against securities fraud class actions in recent years. In 2008 and 2009, for example, over 40 such actions were filed against pharmaceutical and biotechnology companies.[4] These suits, which this Court has recognized are particularly susceptible to abuse, raise the already substantial costs and risks associated with the development of new medicines. Because a class certification order significantly raises the stakes and the costs of litigating, any later-stage opportunity to require proof of class-wide investor reliance or rebuttal thereof comes only after the dynamics of a case have dramatically changed.

Indeed, many courts and commentators have noted that because of the pivotal status of class certification in large scale litigation, certification decisions often have a decisive effect on the outcome of a case. An order granting certification may force a defendant to settle, regardless of a case's merits, rather than incur the costs of defending a class action. Accordingly, the outcome of this case and its impact on resources being expended in meritless or excessive class action litigation threaten the ability of pharmaceutical and biotechnology companies to research and develop new medical advances.

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[4] *See* Dechert LLP, *Dechert Survey of Securities Fraud Class Actions Brought Against Life Sciences Companies*, at 2 (Mar. 2010), at http://www.dechert.com/library/3-10_WCSL_Kotler_Survey_of_Securities_Fraud_CA.pdf.

SUMMARY OF ARGUMENT

In deciding this appeal, the proper focus should be on the district court's obligation to ensure the class certification requirements of Federal Rule of Civil Procedure 23 are met. At the class certification stage, a district court must assess whether the fraud-on-the-market presumption of reliance presents a viable method of class-wide proof sufficient to meet Rule 23(b)(3)'s predominance requirement. That requirement warrants a "close look" before a case is accepted as a class action, and any evidence bearing on the viability of the presumption properly falls within the scope of the district court's review. Here, the court of appeals held that petitioner had to show price impact to satisfy the predominance requirement, but failed. That holding is consistent with Rule 23(b)(3) and this Court's application of that Rule in *Basic Inc. v. Levinson*, 485 U.S. 224 (1988).

Contrary to the position of petitioner and its *amici*, and a recent decision from the Seventh Circuit, the following principles apply to all securities fraud actions in which, as here, a plaintiff invokes the fraud-on-the-market presumption to satisfy Rule 23(b)(3) predominance.

The fraud-on-the-market presumption is only a potential—not certain—method of proof in each case. Thus, considerations relevant to the presumption's viability set the scope of the district court's Rule 23(b)(3) examination.

The presumption rests on *multiple* factors, including whether the alleged misstatement was material and capable of distorting the security's market price. Further, as this Court observed in *Basic*, relevant evidence includes any that severs the

link between the alleged misrepresentation and the price. 485 U.S. at 248. Proof showing the absence of price impact, including the market's failure to react to disclosures correcting the allegedly misstated or concealed information, *i.e.*, the absence of "loss causation," can sever the link. When it does, the district court must consider such evidence as part of its rigorous Rule 23 analysis.

As a proposed class-wide method of proving reliance and overcoming individualized issues, the fraud-on-the-market presumption is subject to Rule 23(b)(3)'s close scrutiny. It is not enough that the presumption's elements or rebuttal proof are susceptible to common proof. Rule 23(b)(3)'s convenience and judicial economy objectives are at risk if the presumption ultimately fails to provide a common method of proving reliance at trial. Thus, district courts must predict how the presumption will play out.

Consistent with Rule 23(b)(3) and *Basic*, the Second Circuit sensibly allows the defendant an opportunity to rebut the presumption before certifying the class. *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474 (2d Cir. 2008). This opportunity ensures that any information bearing on the presumption's viability comes to the district court's attention and assists it in discharging its Rule 23 obligation. A rebuttal opportunity is particularly helpful to district courts in securities fraud actions based on alleged misstatements concerning the development and testing of medicines and therapeutics—a process made effectively transparent by the FDA's regulatory framework and one that often puts the alleged materiality of the purportedly concealed or misstated information in question.

In the end, the Second Circuit in *In re Salomon* and the Fifth Circuit in this case each enable a district court to evaluate information needed to assess the viability of the presumption before certifying a class. When the materiality of the alleged misstatements and their actual impact on price are called into question at the class certification stage, evidence bearing on these issues will come before the district court, whether in plaintiff's initial showing or the defendant's rebuttal. Either way, with the evidence before the district court, the result is the same, and the district court can decide whether Rule 23(b)(3) predominance is met.

In seeking reversal, petitioner and its *amici* rely heavily on the Seventh Circuit's recent decision in *Schleicher v. Wendt*, which holds that a plaintiff does not need to show the misstatement affected the market price before obtaining class certification. 618 F.3d 679 (7th Cir. 2010). That opinion, however, loses sight of the principles governing the use of the presumption as a class-wide method of proof, as well as the district court's role in testing whether such method is viable and satisfies Rule 23(b)(3).

According to *Schleicher*, at the class certification stage, the only relevant fraud-on-the-market element is whether the issuer's stock trades in an efficient market. The other underlying fraud-on-the-market elements, such as materiality, or evidence showing the absence of economic loss arising from the alleged misstatement, present no obstacle to class certification and should not be considered because they all concern questions of law or fact common to the class. This flawed reasoning, however, is not in accord with Rule 23(b)(3) class certification objectives and transforms a district court's rigorous Rule 23(b)(3)

scrutiny into little more than a pro forma exercise. The reasoning in *Schleicher* would, among other things, prevent a district court from considering class-wide evidence rebutting the fraud-on-the-market presumption before certifying a class. As a result, *Schleicher* does not present a correct path to resolving the issues on this appeal.

ARGUMENT

I. The Fraud-On-The-Market Presumption Is Subject To Rule 23(b)(3) Scrutiny

Petitioner bases this securities fraud action on Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Securities and Exchange Commission Rule 10b-5, 17 C.F.R. § 240.10b-5.[5] *See Superintendent of Ins. of N. Y. v. Bankers Life & Cas. Co.*, 404 U.S. 6, 13 n.9 (1971) ("It is now established that a private right of action is implied under § 10(b).").

"Reliance by the plaintiff upon the defendant's deceptive acts is an essential element of the § 10(b) private cause of action." *Stoneridge Inv. Partners, LLC v. Scientific-Atlanta, Inc.*, 552 U.S. 148, 159 (2008). Ordinarily, when a plaintiff alleges misstatements, the issue of reliance concerns whether the individual investor read or heard them, and, if so,

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[6] Section 10(b) of the Securities Exchange Act of 1934 prohibits (1) the "use or employ[ment] . . . [of] any . . . deceptive device," (2) "in connection with the purchase or sale of any security," and (3) "in contravention of" Securities and Exchange Commission "rules and regulations." 15 U.S.C. § 78j(b). Rule 10b-5 prohibits, among other things, the making of any "untrue statement of a material fact" or the omission of any material fact "necessary in order to make the statements made . . . not misleading." 17 C.F.R. § 240.10b-5 (2004).

whether they had any effect on the investor's decision to buy or sell the security. By its nature, this inquiry is too individualized to permit the action to proceed as a class action. Thus, absent a class-wide method of proof, the reliance element invariably defeats Rule 23(b)(3)'s requirement that "questions of law or fact common to class members predominate over any questions affecting only individual members . . . ." FED. R. CIV. P. 23(b)(3); *see Basic,* 485 U.S. at 242 (acknowledging that proof of each proposed class member's reliance forecloses class treatment "since individual issues then would . . . overwhelm[ ] the common ones").

The fraud-on-the-market presumption adopted in *Basic* allows a private securities fraud plaintiff to overcome Rule 23(b)(3)'s otherwise insurmountable predominance hurdle. *See Basic*, 485 U.S. at 242. It rests on the theory that investors rely upon the integrity of a stock's trading price and, when the stock trades in an impersonal, efficient market (an open and developed market), its price reflects all public, material information, including any alleged material misrepresentations or omissions. *See id.* at 244-47. When invoked at the class certification stage, a district court's Rule 23(b)(3) predominance inquiry largely concerns an assessment of the presumption's likely availability at trial. And information relevant to that assessment bears directly on whether Rule 23(b)(3)'s predominance requirement is in fact met.

II. A Rule 23(b)(3) Fraud-On-The-Market Inquiry Must Consider Materiality, Not Just Whether The Security In Question Traded In An Efficient Market

In *Basic*, this Court acknowledged at least four distinct elements "giving rise to the presumption" identified by the court of appeals in that case:

> (1) that the defendant made public misrepresenttations; (2) that the misrepresentations were material; (3) that the shares were traded on an efficient market; (4) that the misrepresentations would induce a reasonable, relying investor to misjudge the value of the shares; and (5) that the plaintiff traded the shares between the time the misrepresentations were made and the time the truth was revealed.

Id. at 248, 248 n.27 (citing *Levinson v. Basic Inc.*, 786 F.2d 741, 750 (6th Cir. 1986), and noting that "elements (2) and (4) may collapse into one").

Consistent with *Basic*'s listing of several different fraud-on-the-market elements, the economic logic of the presumption requires several underlying factual premises, only one of which is an efficient market. For example, an efficient market can only impound in the price an alleged misstatement that is public. *See Gariety v. Grant Thornton, LLP*, 368 F.3d 356, 369 (4th Cir. 2004) (instructing the district court on remand to address "whether [defendant] made a public misrepresentation" as part of its "finding of whether common issues predominate over individual issues in the context of reliance and the application of fraud-on-the-market theory"). Even in an efficient market, however, not every public misstatement affects a security's share price—only those that are

material are likely to mislead the market and affect market prices in a manner sufficient to warrant a presumption they actually did so. *See In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1425 (3d Cir. 1997) (Alito, J.) ("In the context of an 'efficient' market, the concept of materiality translates into information that alters the price of the firm's stock."); *Blackie v. Barrack*, 524 F.2d 891, 906 (9th Cir. 1975) ("Materiality circumstantially establishes the reliance of some market traders and hence the inflation in the stock price . . . .").

Moreover, the role of materiality as a necessary element of the presumption is at least as significant as the efficiency of the market. Reliance may be presumed only as to those misstatements a reasonable investor likely would have viewed as significantly altering the total mix of information in the market. *See Basic*, 485 U.S. at 231-32. "[T]o the extent that information is not important to reasonable investors, it follows that its release will have a negligible effect on the stock price." *Burlington*, 114 F.3d at 1425.[6] Almost by definition, alleged misstatements that are not material cannot move the market price and thus cannot satisfy Rule 23(b)(3)'s fraud-on-the-market assessment.

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[6] This Court in *Basic* recognized the relationship between materiality and the presumed price distortion: "[I]n an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business . . . ." *Basic*, 485 U.S. at 241; *id.* at 246 n.24 (stating, "we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices.").

Evidence bearing on the Rule 23(b)(3) predominance determination includes proof showing the likely absence of any of the fraud-on-the-market elements or "that the misrepresentation in fact did not lead to a distortion of price . . . ." *Basic*, 485 U.S. at 248. For example, a seemingly material misstatement may nevertheless fail to distort the trading price if, through coverage by market analysts, the market is already aware of the truth, and so never misled. *Id.* (noting that where the market is privy to the truth, "the basis for finding that the fraud had been transmitted through market price would be gone."). Similarly, the extent, if any, to which the market price of the security reacts to a disclosure correcting the misstatement is probative of whether the alleged misstatement distorted the market price in the first instance. *See Berks County Employees' Ret. Fund v. First Am. Corp.*, 734 F. Supp. 2d 533, 541 n.52 (S.D.N.Y. 2010) (finding no Rule 23(b)(3) predominance where "'no evidence' that any of the alleged misrepresentations resulted in an 'immediate increase' in First American's stock price and 'no evidence' that any corrective disclosure 'caused an immediate decrease' in stock price").

In addition, a district court's Rule 23 consideration of fraud-on-the-market evidence, including identifying likely corrective disclosures by proof of resulting economic loss, serves the important purpose of identifying the period of trading during which investors could have presumptively relied, thereby defining the class period start and end dates. *See Basic*, at 229 n.5; *In re Fannie Mae Sec. Litig.*, 247 F.R.D. 32, 38 (D.D.C. 2008) ("In determining the duration of a securities fraud class based on a fraud-on-the-market theory, the Court must determine whether 'a curative disclosure had been made so as to

render it unreasonable for an investor, or the market, to continue to be misled by the defendants' alleged misrepresentations.'"). For example, even when an initial price distortion is shown, or presumed, the absence of an economic loss following the alleged corrective disclosure on which the proposed class end date is based suggests a curative event removed any such inflationary effects beforehand. Investors who purchase the security after removal of the inflation do not have access to the presumption of reliance, and, as to them, individualized reliance issues predominate.

Notwithstanding the various fraud-on-the-market issues that can arise at the class certification stage, the Seventh Circuit, in *Schleicher,* treats the efficient market element as the only relevant factor.[7] 618 F.3d at 688 ("The district court assured itself that the market for Conseco's stock was thick enough to transmit defendants' statements to investors by way of the price. That finding supports use of the fraud-on-the-market doctrine as a replacement for individual reading and reliance on defendants' statements."). Petitioner advances the Seventh Circuit's position on the primacy of the efficient market element. *See* Pet. Br. 38 ("The existence of an efficient market establishes a presumption of class-wide reliance . . . ."); *id.* at 40 ("the fraud-on-the-

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[7] *Schleicher* also concedes the efficient market element usually presents no obstacle to class certification when the issuer is a "large, public company." *See id.* at 681 ("When a large, public company makes statements that are said to be false, securities-fraud litigation regularly proceeds as a class action."). In the district court, respondent Halliburton "d[id] not dispute the efficiency of the market . . . ." *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton, Co.*, 597 F.3d 330, 335 (5th Cir. 2010).

market presumption turns on whether the market is efficient"); *see also* U.S. Br. 10-11.

But *Schleicher*, and the position of the petitioner, are not supported by *Basic* and effectively eviscerate Rule 23(b)(3)'s predominance inquiry in private Rule 10b-5 actions. No serious examination of the fraud-on-the-market presumption as a possible method of showing reliance can overlook the pivotal element of materiality. But that is precisely what *Schleicher* does.

III. Rule 23 Requires A Rigorous Analysis Of The Fraud-On-The-Market Presumption

It is impossible for a district court to ignore evidence calling into question the fraud-on-the-market presumption's viability and still conclude that Rule 23(b)(3)'s predominance requirement is met. *See Gen. Tel. Co. of the Sw. v. Falcon*, 457 U.S. 147, 161 (1982) (reiterating that a class action "may only be certified if the trial court is satisfied, after a rigorous analysis, that the prerequisites of Rule 23(a) have been satisfied"); *see also* FED. R. CIV. P. 23(c)(1)(C) Adv. Comm. Notes 2003 ("A court that is not satisfied that the requirements of Rule 23 have been met should refuse certification until they have been met.").

Because Rule 23 is designed to make sure only cases properly subject to class treatment proceed as class actions, a district court should be afforded discretion to consider any relevant evidence for or against class certification. As the Fourth Circuit reminds us, "[w]e must not lose sight of the fact that when a district court considers whether to certify a class action, it performs the public function of determining whether the representative parties should

be allowed to prosecute the claims of absent class members." *Gariety*, 368 F.3d at 366-67; *id.* at 365-67 (instructing that a district court cannot accept at face value plaintiff's fraud-on-the-market allegations, but, instead, must look beyond the pleadings to conduct the "rigorous analysis").

A district court should also have the power to require the parties to provide whatever information it needs for a "definitive assessment." *In re Initial Public Offering Sec. Litig.*, 471 F.3d 24, 41 (2d Cir. 2006) ("*IPO*"). As the Ninth Circuit has explained, a district court must have "sufficient information to form a reasonable judgment" regarding whether the elements of Rule 23 are met. *Blackie*, 524 F.2d at 901 n.17. "Lacking that, the court may request the parties to supplement the pleadings with sufficient material to allow an informed judgment on each of the Rule's requirements." *Id.*; *see also Teamsters Local 445 Freight Div. Pension Fund v. Bombardier Inc.*, 546 F.3d 196, 204 (2d Cir. 2008) ("We require only that a court 'receive enough evidence, by affidavits, documents, or testimony, to be satisfied that each Rule 23 requirement has been met.'") (citing *IPO*, 471 F.3d at 41).

That the Rule 23(b)(3) analysis may concern liability-related issues (such as materiality) should not diminish a district court's obligation. As this Court has noted, "the class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action." *Coopers & Lybrand v. Livesay*, 437 U.S. 463, 469 (1978) (superseded on other grounds) (internal quotation marks omitted); *see* FED. R. CIV. P. 23(c)(1)(A) Adv. Comm. Notes 2003 (advising "it is appropriate to conduct controlled discovery into the

merits, limited to those aspects relevant to making the certification decision on an informed basis"). Moreover, an assessment of the presumption's availability is not a merits determination. *See Teamsters Local 445 Freight Div. Pension Fund v. Bombardier, Inc.*, No. 05-1898, 2006 WL 2161887, at *9 (S.D.N.Y. Aug. 1, 2006), *aff'd*, 546 F.3d 196 (2d Cir. 2008). ("[W]hether the plaintiff may take advantage of the presumption of reliance . . . and whether the plaintiff has proven reliance are distinct inquiries.") (emphasis omitted).

Likewise, a district court has considerable flexibility when conducting a Rule 23 analysis to avoid a full-fledged trial. On a class certification motion, the district court makes no formal findings of fact and announces no conclusions on the merits. *Gariety*, 368 F.3d at 365 (Rule 23 findings serve the district court "*only*" in determining whether class certification is appropriate and does not bind a fact finder whose findings on the merits govern the ultimate judgment) (emphasis in original); *Unger v. Amedisys Inc.*, 401 F.3d 316, 323 (5th Cir. 2005) ("the court's determination for class certification purposes may be revised (or wholly rejected) by the ultimate fact-finder"). As the Second Circuit explains: "[A] district judge must be accorded considerable discretion to limit both discovery and the extent of the hearing on Rule 23 requirements. But even with some limits on discovery and the extent of the hearing, the district judge must receive enough evidence, by affidavits, documents, or testimony, to be satisfied that each Rule 23 requirement has been met." *IPO*, 471 F.3d at 41.

Contrary to these fundamental Rule 23 principles, *Schleicher* categorically excludes from the district court's Rule 23 examination evidence bearing on fundamental fraud-on-the-market elements other than the efficient market element. *See Schleicher*, 618 F.3d at 684, 687. *Schleicher* thus undermines the district court's important Rule 23 obligation to ensure that the requirements of Rule 23 are met.

IV. Each Fraud-On-The-Market Element's Susceptibility To Class-Wide Proof Is Not Enough To Justify Rule 23(b)(3) Certification

Whether an alleged misstatement is both material and public is a question common to all class members. So, too, is evidence a defendant may offer to challenge application of the fraud-on-the-market presumption, *e.g.*, proof that severs the link between the alleged misrepresentation and the price. The common nature of the issues and evidence bearing on the viability of the presumption, however, does not itself satisfy the "systemic efficiency" goals of Rule 23(b)(3). *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 615 (1997).[8]

Rather, proof of class-wide Rule 10b-5 reliance hinges on whether the presumption presents a viable method of proof, not on whether each of its separate elements is subject to common proof. In other words,

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[8] Class action treatment pursuant to Rule 23(b)(3) is "not as clearly called for" as it is in Rule 23(b)(1) and (b)(2) situations. *See Amchem*, 521 U.S. at 615. For this reason, certification under Rule 23(b)(3) warrants a "close look." *Id.* (quoting Benjamin Kaplan, *Continuing Work of the Civil Committee: 1966 Amendments of the Federal Rules of Civil Procedure (I)*, 81 HARV. L. REV. 356, 390 (1967)).

each element's susceptibility to common proof does not reveal whether the plaintiff likely has access to the presumption and, hence, the ability to prove reliance without individualized proof. *In re New Motor Vehicles Canadian Export Antitrust Litig.*, 522 F.3d 6, 25 (1st Cir. 2008) ("Plaintiffs cannot make their case without common proof of causation, and they can only prove causation through common means if their novel theory is viable . . . .").

To answer that question, a district court needs to "formulate some prediction" about the likely availability of the fraud-on-the-market presumption as a proposed method of proof. *See, e.g., In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 311 (3d Cir. 2008) (a "district court must formulate some prediction as to how specific issues will play out in order to determine whether common or individual issues predominate in a given case") (internal quotation marks omitted).

Of course, there is always a risk that a plaintiff's proposed method of proof will not pan out. And a district court cannot demand a guaranty from a plaintiff that it will. *See United Steel Workers v. ConocoPhillips*, Co., 593 F.3d 802, 809 (9th Cir. 2010) (holding that a district court cannot insist that it be "assured" that the plaintiff's proposed class-wide method of proof will apply at trial). What is required, however, is at least a reasonable expectation that the presumption will apply based on a sufficient showing of the elements supporting the presumption. Otherwise, if it turns out the presumption fails as a class-wide method of proving reliance at trial, then the "economy and efficiency of class action treatment are lost and the need for judicial supervision and the risk of confusion are magnified." *See Zinser v. Accufix*

Research Inst., Inc., 253 F.3d 1180, 1189 (9th Cir. 2001) (quoting 7A CHARLES ALAN WRIGHT, ARTHUR R. MILLER & MARY K. KANE, FEDERAL PRACTICE AND PROCEDURE § 1778, at 535-39 (2d ed. 1986)); *see also Tardiff v. Knox County*, 365 F.3d 1, 4-5 (1st Cir. 2004) ("[C]lass action machinery is expensive and in our view a court has the power to test disputed premises early on if and when the action would be proper on one premise but not another.").

The Seventh Circuit's opinion in *Schleicher*, however, in effect holds that the fraud-on-the-market elements, including materiality, are always common questions and this alone satisfies Rule 23(b)(3) predominance. *See Schleicher*, 618 F.3d at 685, 687. Petitioner and the United States, as *amici*, adopt this position. *See* Pet. Br. 39-40,49; U.S. Br. 11, 17-19 n.2. This approach is not defensible for the reasons discussed. It transforms a district court's rigorous Rule 23(b)(3) scrutiny into little more than a pro forma exercise and rubber stamp. Under *Schleicher*'s reasoning, a district court in a securities fraud action would not ever need to look behind the pleadings, even to examine an efficient market allegation, because the fraud-on-the-market elements rest entirely on class-wide proof. Not even the petitioner or its *amici*, however, would go that far. *Schleicher*, in effect, endorses at the class certification stage, a motion to dismiss standard that, in violation of Rule 23, accepts the complaint's allegations as true and does not stray beyond its four corners.

V. A Defendant Should Be Afforded An Opportunity To Rebut The Fraud-On-The-Market Presumption Before A Class Is Certified

A defendant can, of course, oppose a class certification motion. To have meaning, however, that opportunity should include showing that the presumption is untenable, for whatever reason, as a class-wide method of proof. In *In re Salomon, supra,* the Second Circuit correctly interprets *Basic* and recognizes that this opportunity to rebut emanates from Rule 23(b)(3) itself. 544 F.3d at 485 ("a successful rebuttal *defeats* certification by defeating the Rule 23(b)(3) predominance requirement . . . . Hence, the court must permit defendants to present their rebuttal arguments before certifying a class . . . .") (emphasis in original) (internal citations and quotation marks omitted).

Consistent with its transcendent duty to ensure Rule 23 requirements are met, a district court should not defer a defendant's opportunity to rebut the factual premises upon which the fraud-on-the-market presumption rests. Nor should it limit the relevant Rule 23(b)(3) evidence a defendant may introduce, except through the exercise of its discretion to control the scope of the class certification proceeding and avoid mini-trials. The "rigorous analysis" a district court must undertake, *Falcon,* 457 U.S. at 161, requires the district court remain receptive to all relevant Rule 23 evidence, regardless of whether a plaintiff or defendant is the proponent.

Basic adopted a rebuttable presumption that allows the defendant to make "[a]ny showing that severs the link between the alleged misrepresentation and either the price received (or paid) . . . ."

Basic, 485 U.S. at 248. The contention that footnote 29 in *Basic* defers any inquiry into rebuttal evidence until after class certification is not well founded. To be sure, in *Basic*, this Court stated that possible rebuttal proof in that case "is a matter for trial," at which time the district court could amend the certification order if needed. *See id.* at 249 n.29.

But footnote 29 does not state that rebuttal proof is *only* a matter for trial. Footnote 29 responds to potential difficulties plaintiffs in *Basic* might have in ultimately prevailing on a fraud-on-the-market theory given the "incongruity" and "oddities" in the case, a concern raised by the dissenting opinion. *See id.* at 249 n.29; *see also id.* at 260-62 (White, J., dissenting). But any rebuttal is speculative; no actual rebuttal proof is cited and so the majority states that it "see[s] no need to engage in the kind of factual analysis the dissent suggests . . . ." *Id.* at 249 n.29. Hence this Court concludes: "The District Court's certification of the class here was appropriate when made but is subject on remand to such adjustment, if any, as developing circumstances demand." *Id.* at 250. Common sense suggests that evidence that can defeat the presumption after a class is certified can also defeat the presumption before certification.

As this Court acknowledged, the court of appeals in *Basic* included in its description of rebuttal proof evidence that "rebut[s] . . . the elements giving rise to the presumption, or show that the misrepresentation in fact did not lead to a distortion of price . . . ." *Id.* at 248. This should include, for example, the opportunity to introduce analyst reports and other public materials showing either that, at the time of the alleged misstatement, the market already was

aware of information allegedly misstated or concealed, or that the market became aware of the truth before the alleged corrective disclosure date. A district court can easily and readily determine from such proof that the fraud-on-the-market presumption will not be available to show reliance for all or part of the class period. Rebuttal proof is particularly useful when plaintiff's proposed class period start and end dates are arbitrary and designed to increase defendant's potential exposure. *See id.* at 229 n.5.

Consistent with this interpretation of *Basic*, the Second Circuit recognizes a defendant's right to offer evidence rebutting the fraud-on-the-market presumption, on grounds other than market efficiency, at the class certification stage. *See In re Salomon*, 544 F.3d at 485. The Second Circuit is correct. *Basic*'s fraud-on-the-market presumption is a judicial response to the class certification barrier presented by individualized proof of reliance in a securities fraud case, "[a]rising out of considerations of fairness, public policy, and probability, as well as judicial economy . . . ." *Basic*, 485 U.S. at 245. Denying a rebuttal opportunity at the class certification stage contravenes the presumption's objective because it is at that stage when the district court must form a reasonable judgment about the presumption's availability as a class-wide method of proof. Indeed, there is no more appropriate time than on a motion for class certification to consider information bearing on such availability. *See In re DVI, Inc. Sec. Litig.*, Nos. 08-8033 & 08-8045, slip op. at 31 (3d Cir. Mar. 29, 2011) ("[W]e believe rebuttal of the presumption of reliance falls within the ambit of issues that, if

relevant, should be addressed by district courts at the class certification stage.").[9]

Any other approach would unfairly prejudice defendants in Rule 10b-5 class actions. Because a class certification order significantly raises the stakes and the costs of litigating, any later-stage opportunity to rebut comes only after a dramatic change in the dynamics of the case. *See Hydrogen Peroxide*, 552 F.3d at 310 (noting "pivotal status of class certification in large-scale litigation" and "decisive effect" certification decisions have irrespective of the merits); FED. R. CIV. P. 23(f) Adv. Comm. Notes 1998 ("An order granting certification . . . may force a defendant to settle rather than incur the costs of defending a class action and run the risk of potentially ruinous liability.").

As a matter of policy, deciding potentially dispositive issues in putative class actions as early as practicable is favored. *See Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 558-59 (2007). At the class certification stage, the prohibitive costs of litigating a certified class action still await. One study concludes that "the vast majority of certified class actions settle, most soon after certification." Robert G. Bone

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[9] The class certification stage is a judicially convenient stage to consider rebuttal proof. Plaintiffs, for example, often employ event studies to show the market is efficient. These studies explore whether new information correlates with price movements and include a review of analyst reports, press releases and securities filings, among other public information about the issuer. Hence, potential rebuttal information showing the allegedly misstated or withheld information is not new information and, therefore, not material. It may already be before the district court via public information that plaintiff's own event study relies on at the class certification stage.

& David S. Evans, *Class Certification and the Substantive Merits*, 51 DUKE L.J. 1251, 1291 (2002). To the extent considering rebuttal evidence may result in a case not proceeding as a class action, consideration of such evidence at the class certification stage is consistent with public policy.

The absence of a class-certification-stage rebuttal opportunity would be acutely detrimental to PhRMA's member companies who operate in an environment where success is arduous and expensive, and potentially high securities litigation defense costs only further raise the barrier to entry. Many of the characteristics that make success in the pharmaceutical and biotechnology industries difficult also explain why such companies are particularly susceptible to securities fraud suits. Most new drugs do not produce a profit. *See* PhRMA, *Pharmaceutical Industry Profile 2010*, at 11 (Washington, DC: PhRMA March 2010) ("Industry Profile"), at http://www.phrma.org/sites/default/files/159/profile_2010_final.pdf ("Just 2 in 10 Approved Medicines Recoup R&D Costs.").[10] And, each time a drug fails to reach expectations, an enterprising plaintiff's attorney will scour the record of public statements in search of anything that, in retrospect, may suggest the possibility of a misrepresentation. Companies may be less likely to undertake the risk of developing new

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[10] Furthermore, recent estimates place the average costs of developing new drugs between $800 million and $1.3 billion. *See* Congressional Budget Office, *Research and Development in the Pharmaceutical Industry*, at 2 (Oct. 2006) ("CBO Report"), at www.cbo.gov/ftpdocs/76xx/doc7615/10-02-DrugR-D.pdf; Industry Profile at 27. From research and development to regulatory approval, the process takes approximately 12 years to complete. CBO Report at 2.

treatments—like those that PhRMA members are currently developing for cancer, cardiovascular disease, and HIV/AIDS (*id.* at 3-4)—when even approved drugs face continued uncertainty imposed by settlement-driven suits that, once a class is certified, generate potentially ruinous legal expenses.

Moreover, PhRMA's member companies are unique in that information concerning the development and testing of new medicines and therapeutics is made transparent through FDA regulations and procedures. In effect, there is a constant, ongoing public debate over the success or failure of such products. This debate is further reflected in reports of securities analysts who closely follow these public developments. Where alleged misstatements and omissions concern FDA-regulated drugs, prohibiting an opportunity to show the market's awareness of the allegedly withheld or misstated information (and thus the absence of materiality as a basis for the fraud-on-the-market presumption) is particularly detrimental.

Notably, the Seventh Circuit's position in *Schleicher* effectively bars an opportunity to oppose application of the fraud-on-the-market presumption using facts or arguments common to the class. That result would prevent a district court from considering materiality, rebuttal evidence or even from setting the beginning and end dates of the class period, an exercise that rests on considerations such as when the truth likely entered the market and, thus, the availability of the fraud-on-the-market presumption during all or portions of the class period. *See* Section II., *supra*. *Schleicher* is contrary to Rule 23(b)(3), *Basic*, and *In re Salomon*, and should be rejected.

VI. Evidence Of Price Impact Is Proper At The Class Certification Stage

When sufficient doubt exists about the viability of the fraud-on-the-market presumption for purposes of satisfying Rule 23(b)(3), a district court should have the authority, *sua sponte*, to insist upon a greater showing before certifying a class, including a showing effectively requiring the plaintiff to come forward in the first instance with proof of price impact or economic loss related to the alleged misstatement. At a minimum, a district court should be permitted to consider defendant's rebuttal proof that severs the link between the alleged misstatement and the price. That is the rule in *Basic* and the Second Circuit. *Basic*, 485 U.S. at 248; *In re Salomon*, 544 F.3d at 483-85.

Although petitioner depicts the Fifth Circuit as imposing a loss causation rule at odds with the Second Circuit [Pet. Br. 24, 30], any distinction is procedural. The Fifth Circuit requires that a plaintiff show price impact. *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007); *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 229 (5th Cir. 2009) (per curiam; panel including O'Connor, J.). In the Second Circuit, a plaintiff's Rule 23(b)(3) showing must include a public, material misrepresentation about stock traded in an efficient market, and that the plaintiff traded the shares between the time the misrepresentation was made and the time the truth was revealed. *In re Salomon*, 544 F.3d at 481, 481 n.4. If it does, a defendant in the Second Circuit may, also pursuant to Rule 23(b)(3), rebut the presumption by making any showing that severs the link between the alleged misrepresentation and the price, including

"by showing, for example, the absence of a price impact." *Id.* at 484[11]; *see In re DVI, Inc. Sec. Litig.*, Nos. 08-8033 & 08-8045, slip op. at 31-32 (3d Cir. Mar. 29, 2011) ("[W]e agree with the Second Circuit that a defendant's successful rebuttal demonstrating that misleading material statements or corrective disclosures did not affect the market price of the security defeats the presumption of reliance for the entire class, thereby defeating the Rule 23(b) predominance requirement.").

Accordingly, whether it is the plaintiff seeking to prove price impact to establish class-wide reliance (as in the Fifth Circuit) *or* the defendant showing the absence of price impact to rebut the fraud-on-the-market presumption (as in the Second Circuit), plaintiffs and defendants will introduce evidence when that issue calls into question plaintiff's proposed use of the fraud-on-the-market presumption at trial. As a practical matter, under either circuit's approach, the district court will then look at the evidence presented to determine whether Rule 23(b)(3) is met.

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[11] *See also In re Salomon*, 544 F.3d at 486 n.9 ("By contrast, we hold that plaintiffs must show that the statement is material (a prima facie showing will not suffice). However, once that is done, the burden shifts to the defense to show that the allegedly false or misleading material statements did *not* measurably impact the market price of the security.")

CONCLUSION

The decision of the court of appeals should be affirmed.

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AMICUS CURIAE BRIEF

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IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC.,

Petitioner,

v.

HALLIBURTON CO. AND DAVID J. LESAR,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF PUBLIC JUSTICE, P.C. AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF *AMICUS CURIAE*

Public Justice, P.C. ("Public Justice") is a national public interest law firm dedicated to pursuing justice for the victims of corporate and government abuses. Public Justice concentrates its efforts on precedent-setting and socially significant individual and class action litigation designed to advance civil rights, civil liberties, consumer rights, workers' rights, the preservation of the civil justice system, and the protection of the poor and underrepresented. Public Justice regularly represents plaintiffs in class actions. Its experience is that the class action device often is the only meaningful way that individuals can vindicate important legal rights. Public Justice believes that the decision below, if affirmed, will unduly restrict securities class actions and weaken the only remedial mechanism available for large numbers of individuals who have each suffered a small monetary harm as a result of corporate misconduct.[1]

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[1] *Amicus*, by its counsel, is the sole author of this brief. No one other than *amicus* or its members made a monetary contribution to its preparation or submission. The parties have filed letters giving blanket consent to the filing of *amicus* briefs in this case.

STATEMENT

On June 3, 2002, Petitioner (plaintiff below), on behalf of itself and those similarly situated, filed its initial complaint. On April 4, 2006, plaintiff submitted a Fourth Amended Complaint, asserting claims against Respondents, the defendants Halliburton Co. and David J. Lesar (its former president and chief operating officer), for intentionally misstating Halliburton Co.'s financial results and financial condition in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (as amended), 15 U.S.C. §§ 78j, 78t, and SEC Rule 10b-5, 17 C.F.R. § 240.10b-5. On March 28, 2007, the district court denied defendants' motion to dismiss and subsequently their motion for reconsideration in light of *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308 (2007).

On September 17, 2007, Petitioner moved for class certification. On November 4, 2008, the district court denied class certification, finding that plaintiff had not proven loss causation by a preponderance of the evidence. *See Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, No. 3:02-CV-1152-M, 2008 WL 4791492 (N.D. Tex. Nov. 4, 2008) (citing *Oscar Private Equity Invs. v. Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007)). Plaintiff petitioned for interlocutory review of the district court's class decision pursuant to Rule 23(f) of the Federal Rules of Civil Procedure, which petition was accepted by the United States Court of Appeals for the Fifth Circuit ("Fifth Circuit").

Addressing plaintiff's arguments that it need not prove loss causation in order to invoke the presumption of reliance for class certification,

the Fifth Circuit held itself to be bound to apply *Oscar, supra*, and implemented that holding on loss causation without further analysis[2]:

> Plaintiff contends that our precedent, specifically the requirement of *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 269 (5th Cir. 2007), that class plaintiffs prove loss causation at the class certification stage, is contrary to Supreme Court and sister circuit precedent. Plaintiff may not assail *Oscar* as wrongly decided, as we are bound by the panel decision. *See Soc'y of Separationists, Inc. v. Herman*, 939 F.2d 1207, 1211 (5th Cir. 1991) ("In this circuit, one panel may not overrule the decision, right or wrong, of a prior panel in the absence of an intervening contrary or superseding decision by the court *en banc* or the Supreme Court.").

See Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co., 597 F.3d 330, 334 n.2 (5th Cir. 2010).

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[2] No petition for certiorari was filed in *Oscar*.

SUMMARY OF ARGUMENT

The Fifth Circuit's holdings in both this case, *Archdiocese of Milwaukee Supporting Fund, Inc. v. Halliburton Co.*, 597 F.3d 330 (5th Cir. 2010)("*Halliburton*"), and in *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007), reject the common-sense and long accepted principle that the market prices of securities reflect and react to publicly available information about those securities and their issuers. 597 F.3d at 334-35; 487 F.3d at 268-70. These decisions thus clash with the federal securities laws, Congress's intent in enacting them, and contemporaneous academic analysis and commentary concerning the basis for their enactment. When enacting the federal securities laws in the 1930's, Congress understood that the market prices of securities generally reflect and react to publicly available information about those securities and their issuers, that this mechanism is not always perfect or instantaneous, and that investors rely on the integrity of market prices in making their investment decisions.

The Fifth Circuit rejected this common-sense proposition as "unfounded, at least as market efficiency is presently measured," based on certain critiques of the efficient market hypothesis. *See Oscar*, 487 F.3d at 269-70. Respectfully, the Fifth Circuit's reasoning does not justify either its restriction of the presumption of reliance or its narrowing of the fraud-on-the-market doctrine. First, the presumption of reliance and the fraud-on-the-market doctrine implement congressional policy as embodied in the federal securities laws, which policy remains

vital in the present era, not the efficient market hypothesis as various economists have articulated it at various times. Changes in economists' understanding of the efficient market hypothesis, or their qualifications of that theory in light of varying empirical findings, do not change congressional policy.

Second, any purported evolution in the understanding of the efficient market hypothesis is not grounds to alter the presumption of reliance. This Court's decision in *Basic, Inc. v. Levinson* adopting the presumption of reliance was grounded on congressional policy and *not* on economic scholarship regarding the efficient market hypothesis. *See* 485 U.S. 224, 245-46 (1988).

Third, the academic debates concerning the efficient market hypothesis have not changed materially since this Court's decision in *Basic* – the debates and critiques concerning the efficient market hypothesis started twenty years before this Court decided *Basic* and continued after. The positions in that debate were established, and their merits evaluated, long before this Court issued that decision. This Court was aware of that debate when it decided *Basic*. The continuing debate is thus not reason to revisit or narrow *Basic*'s presumption of reliance.

Because the Fifth Circuit's holding departs from the letter and intent of the federal securities laws, the decision of the Court of Appeals should be reversed.

ARGUMENT

I. THE FIFTH CIRCUIT RENOUNCED VITAL AND FUNDAMENTAL CONGRESSIONAL POLICIES AS EMBODIED IN THE FEDERAL SECURITIES LAWS.

A. THE FIFTH CIRCUIT REJECTED, OR GRAVELY LIMITED, THE LONG-RECOGNIZED UNDERSTANDING THAT MATERIAL MISREPRESENTATIONS MOVE MARKET PRICES FOR SECURITIES.

The rationale for the decisions in both *Halliburton* and *Oscar* contravenes a basic premise of the federal securities laws: namely that securities' prices generally reflect publicly available information (both accurate and inaccurate) concerning them and respond to changes in that information, which changes can and do include the revelation that prior material statements concerning the issuers' business or finances were false or misleading. In *Oscar* (which *Halliburton* held controlling and followed), the Fifth Circuit rejected this principle, *see* 487 F.3d at 268-70; 597 F.3d at 334 n.2, frustrating the congressional purpose of the federal securities laws.

Specifically, in *Oscar*, 487 F.3d at 268-70, the Fifth Circuit required securities plaintiffs seeking class certification to demonstrate loss causation – that is, to show that disclosure of corrective information "moved" the subject security's price – to trigger the fraud-on-the-

market doctrine and to allow a class of purchasers to be certified. In imposing this requirement at class certification, the Court of Appeals renounced the enduring congressional understanding that the prices of securities trading on the market reflect publicly available information (and misinformation) and changes therin as "unfounded, at least as market efficiency is presently measured."[3] In so ruling, however, the

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[3] The Court of Appeals explained itself in full in *Oscar* as follows, *id.* at 269-70 (footnotes omitted):

> The assumption that every material misrepresentation will move a stock in an efficient market is unfounded, at least as market efficiency is presently measured. There are two additional explanations, besides immateriality, for why a misrepresentation might fail to affect the stock price, both relevant to classwide reliance. First, it might be that even though the market for the defendant's shares has been demonstrated efficient by the usual indicia, the market is actually inefficient with respect to the particular type of information conveyed by the material misrepresentation, *i.e.*, analysts and market makers do poorly at digesting line-count information. Thus our approach gives effect to information-type inefficiencies, recognizing that "the market price of a security will not be uniformly efficient as to all types of information." A second possible explanation for a misrepresentation's failure to move the market is that the market was

Fifth Circuit rejected the congressional policy embedded in the federal securities laws and frustrated its legislative purpose.

B. THE FEDERAL SECURITIES LAWS EMBODY THE PRINCIPLES OF THE FRAUD-ON-THE-MARKET DOCTRINE.

In the 1930's, when it enacted the federal securities laws, Congress well understood (a) that market prices for securities reflected publicly available information and misinformation about those securities, (b) that misinformation concerning securities could artificially inflate or depress their prices, and (c) that the correction of misinformation would usually affect securities prices in the market. Congress also was aware that securities markets could be flawed and thus would not necessarily react perfectly or

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strong-form efficient with respect to that type of information, *i.e.*, due to insider trading, the restated line count was reflected by the stock price well before the 4Q01 corrective disclosure. Both explanations resist application of the semi-strong efficient-market hypothesis, the theory on which the presumption of classwide reliance depends. This court honors both theory and precedent in requiring plaintiffs to demonstrate loss causation before triggering the presumption of reliance. The trial court erred in ruling that the class certification stage is not the proper time for defendants to rebut lead Plaintiffs' fraud-on-the-market presumption.

instantaneously to changes in publicly available information. Cognizant of both the strengths and limits of securities markets, Congress encoded the basic premise that markets respond to public information (and misinformation) throughout the federal securities laws, endorsing as a basic premise the notion that correct and accurate information would create a market with correct and accurate pricing and that misrepresentations could work frauds on the market as a whole. Respected commentary from the period of the securities laws' enactment provides further evidence that the laws were understood to incorporate this notion.

For example, in the legislative history of the Securities Act of 1933 (the "Securities Act"), Congress explicitly recognized that an issuer's statements about a security determine the price of that security and are thus relied on by an investor, even if an investor is unaware of the statements:

> The statements for which they are responsible, although they may never actually have been seen by the prospective purchaser, because of their wide dissemination, determine the market price of the security, which in the last analysis reflects those manifold causes that are the impelling motive of the particular purchase. The connection between the statements made and the purchase of the security is clear, and, for this reason, it is the essence of fairness to insist upon the assumption of responsibility for the making of these statements.

H.R. Rep. No. 85, 73d Cong., 1st Sess. (1933).

Likewise, the legislative history of the Securities Exchange Act of 1934 (the "Exchange Act") reflects that market price is an equilibrium price determined by the activities of buyers and sellers in an open market with access to full and complete information about a security, that misrepresentation skews that equilibrium price, and that information eventually – even if not instantaneously – works its way into market price:

> No investor, no speculator, can safely buy and sell securities upon the exchanges without having an intelligent basis for forming his judgment as to the value of the securities he buys or sells. The idea of a free and open public market is built upon the theory that competing judgments of buyers and sellers as to the fair price of a security brings about a situation where the market price reflects as nearly as possible a just price. Just as artificial manipulation tends to upset the true function of an open market, so the hiding and secreting of important information obstructs the operation of the markets as indices of real value. There cannot be honest markets without honest publicity. Manipulation and dishonest practices of the market place thrive upon mystery and secrecy. The disclosure of information materially important to investors *may not instantaneously be reflected in market value,* but despite the intricacies of security values truth does find relatively quick acceptance on the market.

H.R. Rep. No. 1382, 73d Cong., 2nd Sess. (1934) (emphasis added). The 1932-34 Senate Banking and Currency Committee investigation (known as

the Pecora Hearings) provided Congress with ample illustration of schemes where financial disclosures were manipulated for the purpose of defrauding the market, having an unquestionable impact on market prices. 1 Louis Loss, Joel Seligman & Troy Paredes, *Securities Regulation* 301-03 (4th ed. 2006). Congress sought to correct such abuses with the federal securities laws.

Congress, having witnessed the spectacular run up in the stock market and its collapse,[4] certainly understood that prices in financial markets sometimes inaccurately valued securities. Nonetheless, when framing the federal securities laws, Congress placed strong emphasis on the dissemination of accurate market information and recognized that the information would be encoded in market prices.

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[4] The Seventy-Third Congress took office in the wake of the most profound market crash in United States, if not world, history. Preceding that crash was an astonishing stock market bubble from 1927 through September 1929, one of the ten largest economic bubbles in history. *See* Charles P. Kindleberger & Robert Aliber, *Manias, Panics, and Crashes: A History of Financial Crises* 9 (5th ed. 2005). During that period, the Dow Jones Industrial Average rose from approximately 155 on January 3, 1927 to peak at 381.17 on September 3, 1929, before collapsing to 198.69 by November 13, 1929, and ultimately reaching a nadir of 41.22 in July 8, 1932, an 89.19% decline from its 1929 high.

Prominent commentators, writing at the time the Securities Act and Exchange Act were enacted, were familiar with the concept that market prices encode information. In 1931, Adolf Berle, surveying United States securities law, recognized that (a) publicly available information about securities must be accurate because it impacts market prices and (b) courts were imposing liability based on the fraud-on-the-market doctrine, even if that doctrine was not yet known by that name:

> [A] free market contemplates appraisal of the value of the stock by both buyer and seller. *Appraisal is necessarily on the basis of information.* Accordingly, *all markets move in a nexus of information gathered from all sources* and circulated in a variety of ways, recognized and unrecognized. ... Most of the information circulated, however, and that dealt with here, is information relating to a specific stock, and designed to bear upon the value of that stock. *It seems to be an established rule of law that any statement of any kind issued by anyone and intended to affect the price of, or to be used in appraising a security must be accurate; and that the knowing publisher of false information is liable in an action of fraud to anyone who relies on it, or, probably, even to anyone who acts to his loss in the open market on a false valuation as a result of such statement.*

Adolf A. Berle, *Liability for Stock Manipulation*, 31 Colum. L. Rev. 263, 268 (1931) (emphasis added; footnote omitted) (citing *Stewart v. Joyce*, 201 Mass. 301, 87 N.E. 613 (1909); *Kilgore v. Bruce*, 166 Mass. 136, 44 N.E. 108 (1896)). Addressing

liability to purchasers for false statements, Berle was even more explicit:

> *Is it necessary that the purchaser knows of the specific false statement? Probably not*; the only decision on the point indicates that where the effect of the statement was to create a false valuation or appraisal by the entire market, and the buyer relied upon the state of the market, he had, at second hand as it were, relied on the statement itself. The chain of causation between the statement relied upon and price adopted by the investor is slightly longer than in the ordinary case of deceit, but is no less direct. If the X corporation states that its earnings are $13 a share when, in fact, its income statement should really show a loss, and the market estimates the value of the stock at $130 on the basis of such statement, and *the investor buys at the market price, he has relied on the market situation, which in turn resulted from the false statement.*

Id. at 269-70 (emphasis added; footnote omitted) (citing *Ottinger v. Bennett*, 203 N.Y. 554, 96 N.E. 1124 (1911); *Bedford v Bagshaw*, 4 H. & N. 538, 157 Eng. Rep. 951 (Exch. 1859)).

Then-professor William O. Douglas, who was intimately associated with the drafting of the Securities Act, similarly understood the Act to be premised on the vital importance of public information to the market prices for securities. As he wrote for a general audience in the Yale Review in early 1934:

> The truth about securities having been told, the matter is left to the investor. The Act presupposes that the glaring light of

> publicity will give the investors needed protection. But those needing investment guidance will receive small comfort from the balance sheets, contracts, or compilation of other data revealed in the registration statement. They either lack the training or the intelligence to assimilate them and find them useful, or are so concerned with a speculative profit as to consider them irrelevant. And wise and conservative investors will find the Securities Act useful but not necessary and from it will gain but little real protection against an occasional Kreuger or Insull. This means that the results of the Act so far as investors are concerned are primarily twofold: (1) the requirement that the truth about securities be told will in and of itself prevent some fraudulent transactions which cannot stand the scrutiny of publicity; (2) even though an investor has neither the time, money, nor intelligence to assimilate the mass of information in the registration statement, there will be those who can and who will do so, whenever there is a broad market. The judgment of those experts will be reflected in the market price. Through them investors who seek advice will be able to obtain it. And so during the early months of the life of a security the registration statement will serve as a healthy conditioner of the market.

William O. Douglas, *Protecting the Investor*, 23 Yale Rev. 522, 523-24 (1934).

In writing about the Exchange Act, James William Moore and Frank Wiseman similarly recognized the pervasive relevance of available

issuer information to share pricing and the need for comprehensive disclosure to promote accurate pricing:

> [T]ransactions on the exchange affect not only the securities there handled, but serve as a yardstick to measure the tremendous immobile holdings of like securities throughout the country. Proper attention to pricing is therefore essential. Before market quotations can be accepted as an accurate appraisal of a security, the market must be free and open, both in the sense of liquidity – the continuous operations of buyers and sellers, and in the sense that price is honestly chancered. To effect the latter, buyers and sellers must have adequate financial information and the opportunity to trade on an unrigged market.

James William Moore and Frank M. Wiseman, *Market Manipulation and the Exchange Act*, 2 U. Chi. L. Rev. 46, 48 (1934) (certain footnotes omitted). In footnote 12 (*see id.* at 48 n.12), the authors continued,

> In appraising values, information is needed on at least general business conditions; the condition of the industry involving the particular security; the financial record of the company and perhaps of other like companies for comparative purposes; and the demand for, and the resulting price of, the security.

In recognition of its understanding of markets and the role of public information in

them, Congress adopted numerous disclosure requirements and penalties for false statements in 1933 and 1934.[5]

In sum, the proposition that "material misrepresentation[s] will move a stock in an efficient market" is a common-sense principle that guided Congress in the design of the federal securities laws and was incorporated by Congress into the structure of those laws. Equally, Congress was aware that this generalization had its exceptions and that securities prices did not always react instantaneously or perfectly to public information. In rejecting the principle that material misrepresentations can be presumed to move prices of securities that trade on open and well-developed markets, the Fifth Circuit has contravened the congressional understanding of the securities markets and frustrated its regulation of them.

II. IN *BASIC, INC. V. LEVINSON* THIS COURT IMPLEMENTED CONGRESSIONAL POLICY WHEN IT ACCEPTED THE PRESUMPTION OF RELIANCE.

Starting with *Kardon v. National Gypsum Co.* in 1946, the federal courts embraced private rights of action under Section 10(b) and SEC Rule 10b-5 as implementing congressional policy in the federal securities law. *See* 69 F. Supp. 512 (E.D. Pa. 1946). Subsequently, the Courts of Appeals uniformly endorsed the presumption of reliance

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[5] *See, e.g.*, 15 U.S.C. §§ 77g, 77h, 77k, 77*l*, 77q, 78f(b)(5), 78f(f), 78j, 78*l*, 78m, 78p.

and the fraud-on-the-market doctrine in the 1970's and early 1980's as a further implementation of the congressional objectives embedded in the federal securities laws. These courts held that plaintiffs would be entitled to a presumption of reliance (*i.e.*, transaction causation) whenever the defendant made false statements in connection with securities that traded in a developed, impersonal market. *See, e.g., Peil v. Speiser*, 806 F.2d 1154, 1161 (3d Cir. 1986) ("plaintiffs who purchase in an open and developed market need not prove direct reliance on defendants' misrepresentations, but can satisfy their burden of proof on the element of causation by showing that the defendants made material misrepresentations") (footnote omitted); *Harris v. Union Elec. Co.*, 787 F.2d 355, 367 & n.9 (8th Cir. 1986) ("False or misleading information, such as that involved in this case, can actually harm investors directly – through actual reliance, or indirectly – by affecting the market upon which the investor relied and traded."); *Blackie v. Barrack*, 524 F.2d 891, 905-08 (9th Cir. 1975) ("causation is adequately established in the impersonal stock exchange context by proof of purchase and of the materiality of misrepresentations").[6]

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[6] *See also Lipton v. Documation, Inc.*, 734 F.2d 740 (11th Cir. 1984); *T.J. Raney & Sons, Inc. v. Fort Cobb Irrigation Fuel Auth.*, 717 F.2d 1330, 1332-33 (10th Cir. 1983), *Panzirer v. Wolf*, 663 F.2d 365, 367-68 (2d Cir. 1981), *vacated and remanded on other grounds sub nom. Price Waterhouse v. Panzirer*, 459 U.S. 1027 (1982);

In 1988, in *Basic, Inc. v. Levinson*, 485 U.S. 224, 245-46 (1988), this Court itself adopted the presumption of reliance because that presumption was "consistent with" and "support[ed]" the "congressional policy embedded in the 1934 Act." 485 U.S. at 245. The Court specifically noted that "[i]n drafting that Act, Congress expressly relied on the premise that securities markets are affected by information, and enacted legislation to facilitate an investor's reliance on the integrity of those markets." *Id.* at 245-46.

The Court found additional support for adopting the presumption of reliance in "common sense and probability," *id.* at 246, and found it wholly improbable that investors would not rely on the integrity of market prices for securities. *See id.* at 246-47 ("It has been noted that 'it is hard to imagine that there ever is a buyer or seller who does not rely on market integrity. Who would knowingly roll the dice in a crooked crap game?'") (quoting *Schlanger v. Four-Phase Sys. Inc.*, 555 F. Supp. 535, 538 (S.D.N.Y. 1982)).

Finally, the Court also relied on the universal endorsement of the presumption of reliance in the Courts of Appeals. *Id.* at 247 & n.25 (collecting cases).

The *Basic* Court also drew support from economic research. *See id.* The efficient market hypothesis, as a technical economic theory about the way in which financial markets work, was first formulated in the 1960's in various articles by

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Ross v. A.H. Robins Co., 607 F.2d 545, 553 (2d Cir. 1979).

Eugene Fama,[7] culminating in a 1970 article in the *Journal of Finance*.[8] The economic statement of the efficient market hypothesis was almost immediately subject to theoretical critiques and empirical challenges, which continued in the twenty years prior to this Court's decision in *Basic*.[9]

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[7] *See, e.g.*, Eugene Fama, *et al.*, *The Adjustment of Stock Prices to New Information*, 10 Int'l Econ. Rev. 1 (1969); Eugene Fama, *Risk, Return and Equilibrium*, Rep. No. 6831, Univ. Chi. Ctr. for Math. Studies in Bus. & Econ. (1968); Eugene Fama and Marshall Blume, *Filter Rules and Stock Market Trading* Profits, 39 J. Bus. 226 (1966); Eugene Fama, *The Behavior of Stock Market Prices*, 38 J. Bus. 34 (1965).

The intuition that public information is relevant to the pricing of securities in the financial markets was known decades before Dr. Fama began his investigations. *See, e.g.*, Berle, *supra*.

[8] *See* Eugene Fama, *Efficient Capital Markets: A Review of Theory and Empirical Work*, 25 J. Fin. 383 (1970).

[9] *See, e.g.*, Barr Rosenberg, Kenneth Reid, & Ronald Lanstein, *Persuasive Evidence of Market Inefficiency*, J. Portfolio Management, Spr. 1985, at 9; Ronald J. Gilson & Reinier H. Kraakman, *Mechanisms of Market Efficiency*, 70 Va. L. Rev. 549 (1984); Sanford J. Grossman & Joseph E. Stiglitz, *On the Impossibility of Informationally Efficient Markets*, 70 Am. Econ. Rev. 393 (1980); Sanjoy Basu, *Investment Performance of Common Stocks in Relation to Their Price-Earnings Ratios: A*

This Court cited such research in support of its recognition that public statements affect prices. However, although noting that "[r]ecent empirical studies have tended to confirm Congress's premise that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any material misrepresentations," this Court expressly *disavowed* basing its holding on the vagaries of economic research:

> We need not determine by adjudication what economists and social scientists have debated through the use of sophisticated statistical analysis and the application of economic theory. For purposes of accepting the presumption of reliance in this case, we need only believe that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices.

Id. at 246 n.24. This Court, in *Basic*, was thus aware of the critiques of the efficient market hypothesis. *See also id.* at 253 & n.4 (White, J., dissenting) (discussing various critiques).

Basic endorsed the fraud-on-the-market presumption notwithstanding these criticisms. An accurate reading of *Basic* thus reveals that

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Test of the Efficient Markets Hypothesis, 32 J. Fin. 663 (1977); Francis Nicholson, *Price-Earnings Ratios in Relation to Investment Results*, 24 Fin. Analysts J. 105 (1968); Ray Ball & Philip Brown, *An Empirical Evaluation of Accounting Income Numbers*, 6 J. Acct. Res. 159 (1968).

this Court neither adopted the efficient market hypothesis, as it is formulated in the economic and financial literature, nor relied on that academic literature in adopting the presumption of reliance or endorsing the fraud-on-the-market doctrine.

Accordingly, neither the fraud-on-the-market doctrine nor the presumption of reliance are restatements of economic theory or research concerning market efficiency. They are legal principles concerning what allegedly defrauded purchasers (or sellers) of a security need prove in order to establish, at trial, his or her reliance on a misrepresentation (or omission) concerning a security. These legal principles serve to implement congressional purpose, not to encapsulate current social science. "Presumptions typically serve to assist courts in managing circumstances in which direct proof, for one reason or another, is rendered difficult." *Basic*, 485 U.S. at 245.

III. CONGRESS EMBRACED THE FRAUD-ON-THE-MARKET DOCTRINE AND THE PRESUMPTION OF RELIANCE WHEN AMENDING THE FEDERAL SECURITIES LAWS AFTER *BASIC*.

Congress has extensively amended the securities laws in regard to private actions three times since *Basic*, and twice specifically addressed the subject of class action litigation under the federal securities laws. Each time, Congress has not chosen to alter the presumption of reliance. Indeed, in 1995, Congress reformulated the measure of plaintiffs' damages for securities fraud, on the premise that market prices for securities eventually react correctly to changing

disclosures of material information, albeit neither perfectly nor instantaneously.

In 1995, Congress enacted the Private Securities Litigation Reform Act ("PSLRA"). *See* Pub. L. No. 104-67, 109 Stat. 737, codified in pertinent part at 15 U.S.C. § 77z-1 and 15 U.S.C. § 78u-4, *et seq.* Significantly, Congress enacted a damages limitation in the PSLRA explicitly premised on the notion that markets generally – but not *perfectly* – incorporate public information. Specifically, the provision states:

> the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.

15 U.S.C. § 78u-4(e)(1). This provision adopted the premise that when corrective information is released publicly, market prices correct themselves. This provision also recognizes, in its use of the 90-day average, that market reaction may be neither instantaneous nor perfect (*i.e.*, the market may initially over-react before fully equilibrating to the revealed information).[10] *See*

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[10] To the extent that Congress intended to curb securities class litigation, it did so by imposing heightened pleading standards, *see* 15 U.S.C. § 78u-4(b), staying discovery pending

Bradford Cornell & James C. Rutten, *Market Efficiency, Crashes, and Securities Litigation*, 81 Tul. L. Rev. 443, 469-70 (2006). Moreover, although the PSLRA imposed a heightened standard for alleging scienter at the pleading stage, Congress declined to create any standard requiring pleading or proof by a preponderance of the evidence with respect to loss causation at any time prior to trial.

In 1998, Congress enacted the Securities Litigation Uniform Standards Act ("SLUSA"). *See* Pub. L. No. 105-353, 112 Stat. 3227 (1998), codified in pertinent part at 15 U.S.C. §§ 77p(d), 77p(f), 78bb(f). SLUSA, generally speaking, requires private securities class action claims to be litigated under federal law rather than under state law. *See Merrill Lynch, Pierce, Fenner & Smith Inc. v. Dabit*, 547 U.S. 71, 87 (2006). Because class action claims under Section 10(b) almost always rest on the fraud-on-the-market doctrine, in enacting SLUSA, Congress implicitly recognized the vitality of the doctrine while leaving it undisturbed.

Finally, in 2002, Congress once again revised the federal securities laws in the Sarbanes-Oxley Act, to extend the limitations period for private actions under Section 10(b) and Rule 10b-5. *See* Pub. L. No. 107-204, § 804, 116

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motions to dismiss, *see id.*, and expressly regulating the selection of lead plaintiffs and the conduct of class actions, *see* 15 U.S.C. § 78u-4(a). It did not revisit or alter the presumption of reliance.

Stat. 745, 801 (2002) (codified at 28 U.S.C. § 1658). Once again Congress imposed no new requirements for pleading or proving a presumption of reliance, as the Fifth Circuit has subsequently done by judicial fiat.

The Securities and Exchange Commission has similarly based its regulations on the premise that markets, with reasonable efficiency, respond to material information (and misinformation). *See, e.g.*, Proposed Rule: Selective Disclosure and Insider Trading, Release Nos. 33-7787, 64 FR 72590, 72591 (1999) ("Full and fair disclosure of information by issuers of securities to the investing public is a cornerstone of the federal securities laws. In enacting the mandatory disclosure system of the Exchange Act, Congress sought to promote disclosure of "honest, complete, and correct information" to facilitate the operation of fair and efficient markets.") (footnotes omitted); Shelf Registration, Securities Act Release No. 33-6499, 48 Fed. Reg. 52,889, 52,892 (1983) (integrated disclosure "recognizes the applicability of the efficient market theory"); Adoption of Integrated Disclosure Systems, Securities Act Release No. 33-6383, 47 Fed. Reg. 11,380, 11,382 n.9 (1982) ("information regularly furnished to the marketplace ... may be reflected in the price of the outstanding securities"); Exchange Act Release No. 6331, 46 Fed. Reg. 41,902 (Aug. 13, 1981) (setting forth "the Commission's belief that the market operates efficiently for these companies, *i.e.*, that the disclosure in Exchange Act reports and other communications by the registrant, such as press releases, has already been disseminated and accounted for by the market place").

In sum, in the years since *Basic* was decided, Congress has legislated three times on the subject of private securities fraud litigation. In two of those instances, Congress sought to curb private class litigation. Yet Congress did not seek to make it more difficult for class plaintiffs to prove their reliance on misrepresentations or omissions, even while, in the PSLRA, reformulating the measure of plaintiffs' damages. Congress's reformulation embraced the fraud-on-the-market doctrine while simultaneously acknowledging that the doctrine does not depend on "perfect" or "immediate" informational efficiency.

IV. THE FIFTH CIRCUIT'S *DE FACTO* REJECTION OF THE FRAUD-ON-THE-MARKET DOCTRINE FRUSTRATES CONGRESSIONAL PURPOSE AND DEFIES THE PRECEDENT OF THIS COURT.

In light of the foregoing, the Fifth Circuit's departure from established law in *Oscar* is without warrant. Its conjecture that "[t]he assumption that every material misrepresentation will move a stock in an efficient market is unfounded, at least as market efficiency is presently measured", 487 F.3d at 269, is both unsound in itself and insufficient grounds for recasting congressional purpose in the federal securities laws or departing from this Court's precedent.

The notion that "material misrepresentation[s] will move a stock" is not an "assumption" in any usual sense of that word – it was Congress's premise and policy in enacting the federal securities laws, as shown above. The Fifth Circuit

is not free to substitute its take on the way securities markets work in place of Congress's understanding.

Moreover, the congressional "assumption" reflected in the presumption of reliance is not as the Fifth Circuit portrays it. It is not that "every material misrepresentation will" always "move a stock" (as the Fifth Circuit implies with its muscular language). Congress's understanding, as well as this Court's in *Basic*, is that changes in material, public information (including misrepresentations) generally affect securities prices in a well developed securities market and the presumption can be rebutted by defendants at trial. This common-sense generalization is far more modest than the Fifth Circuit's characterization of it, and it amply supports the presumption of reliance.

Finally, there has been no fundamental change in the "measure[]" of market efficiency – or in the understanding of the effect of new information on market prices for securities – since *Basic* that would warrant narrowing or otherwise revisiting the presumption of reliance in the context of class certification.[11]

The two circumstances the Fifth Circuit specifically noted in *Oscar* as grounds to deviate from the proposition that "material misrepresentation[s] will move a stock in an efficient market" – specifically, (a) that a market might not react to some kinds of information or (b) that a

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[11] *See, supra*, at n.7-9 and accompanying text; *infra*, at n.13 and accompanying text.

market might have already reacted to corrective information prior to its public disclosure, *see* 487 F.3d at 269 – are old ideas that were discussed in the legal and economic literature prior to this Court's decision in *Basic*.[12] For example, *Oscar*

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[12] *See, e.g.*, Thomas R. Dyckman & Dale Morse, *Efficient Capital Markets and Accounting: A Critical Analysis* 28-29 (1986); James H. Lorie, Peter Dodd & Mary Hamilton Kimpton, *The Stock Market: Theories and Evidence* (2d ed. 1985); James R. Vertin, *Passive Equity Management Strategies*, in *Readings in Investment Management* 113 (F. Fabozzi ed., 1983); Frank K. Reilly & Eugene F. Drzycimski, *Short Run Profits From Stock Splits*, 10 Fin. Mgmt. 64 (1981); Jerome B. Baesel & Garry R. Stein, *The Value of Information: Inferences From the Profitability of Insider Trading*, 14 J. Fin. & Quant. Analysis 553 (1979); Robert S. Kaplan, *The Information Content of Financial Accounting Numbers: A Survey of Empirical Evidence*, in *The Impact of Accounting Research on Practice and Disclosure* 134, 167 (A. Abdel-Khalik & T. Keller eds., 1978); Larry Y. Dann, David Mayers & Robert J. Raab, *Trading Rules, Large Blocks, and the Speed of Adjustment*, 4 J. Fin. Econ. 3 (1977); James M. Patell, *Corporate Forecasts of Earnings per Share and Stock Price Behavior: Empirical Tests*, 14 J. Acct. Res. 246 (1976); Arnold B. Moore, *Some Characteristics of Changes in Common Stock Prices*, in *The Random Character of Stock Market Prices* 139 (P. Cootner, rev. ed. 1967); Clive W.J. Granger & Oskar Morgenstern, *Spectral Analysis of New York Stock*

cited to the notion that earnings information is incorporated into share prices over time. *See Oscar*, 487 F.3d at 269 n.43 (citing Macey & Miller, 42 Stan. L. Rev. at 1083). That idea, however, was documented in 1968 – a full twenty years before *Basic*. *See* Ball & Brown, *supra* n.13.

Indeed, that the economic debate continues and focuses on the purported limited anomalies in the theory is only proof of the strength of the general proposition. These minor imperfections provide no grounds for revisiting or narrowing

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Market Prices, 16 Kyklos 1 (1963). *See also supra*, at n.9.

The Fifth Circuit's reliance on Jonathan Macey and Geoffrey Miller's 1990 article, *Good Finance, Bad Economics: An Analysis of the Fraud-on-the-Market Theory*, 42 Stan. L. Rev. 1059 (1990), as documenting a change in the understanding of market efficiency is ironic – that article was published only two years after *Basic* was decided, and nine of its ten sources evaluating the efficient market hypothesis were issued before *Basic* was decided (and the one issued after *Basic* supports the efficient market hypothesis). *Id.* at 1080-81 & nn.110-126. Macey and Miller's article is an argument that *Basic* was wrongly decided, not a demonstration that evolving empirical research invalidates *Basic*. Tellingly, Macey and Miller submit that the second scenario to which the Fifth Circuit referred (that a market might have already reacted to corrective information prior to its public disclosure) is without empirical support. *See* 42 Stan. L. Rev. at 1078 n.100.

Basic's presumption of reliance, particularly in the face of more than seven decades of congressional policy premised on the fundamental – and common sense – concept that material information (or misinformation) impacts market prices for securities.

CONCLUSION

For the foregoing reasons, and those submitted by Petitioner and other *amici*, the ruling of the Fifth Circuit should be reversed and this case remanded with instructions that the proposed class be certified.

March 1, 2011

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AMICUS CURIAE BRIEF

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO. ET AL.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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INTEREST OF *AMICUS CURIAE*

The Securities Industry and Financial Markets Association ("SIFMA") is a securities industry trade association representing the interests of hundreds of securities firms, banks, and asset managers.[1] SIFMA's mission is to support a strong financial industry while promoting investor opportunity, capital formation, job creation, economic growth, and trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the United States regional member of the Global Financial Markets Association.

SIFMA regularly files *amicus curiae* briefs in cases that raise legal issues of vital concern to the participants in the securities industry. SIFMA has appeared before this Court as *amicus curiae* in many cases involving issues arising under the federal securities laws, most recently in *Matrixx Initiatives, Inc.* v. *Siracusano*, 79 U.S.L.W. 4187 (U.S. Mar. 22, 2011) (involving pleading standard for materiality in private securities fraud claim), *Morrison* v. *National Australia Bank, Ltd.*, 130 S. Ct. 2869 (2010) (extra-territorial application of anti-fraud provisions of federal securities laws), *Merck & Co.* v. *Reynolds*, 130 S. Ct. 1784 (2010) (statute of limitations for bringing private securities fraud claim), and *Jones* v. *Harris Associates L.P.*, 130 S. Ct. 1418 (2010) (breach of

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[1] The parties have filed blanket letters of consent for *amicus* briefs. No counsel for a party authored this brief in whole or in part; and no such counsel or any party made a monetary contribution intended to fund the preparation or submission of this brief. No person or entity, other than *amicus* and its counsel, made a monetary contribution intended to fund its preparation or submission.

fiduciary duty under the Investment Company Act of 1940).

This case involves important issues regarding liability under the federal securities laws for misrepresentations in connection with public market transactions and the standards under which adjudication of private securities claims pursuant to the class action procedure is appropriate. These issues are directly relevant to SIFMA's mission of promoting fair and efficient markets and a strong financial services industry. Resolution of these issues could have a profound effect on SIFMA's members.

SUMMARY OF ARGUMENT

In *Basic Inc.* v. *Levinson*, 485 U.S. 224 (1988), this Court recognized the "fraud-on-the-market" theory of reliance in response to an impediment to class certification of private, open-market securities fraud cases under Rule 10b-5, 17 C.F.R. § 240.10b-5. In order to certify a class of plaintiffs seeking damages under Rule 23 of the Federal Rules of Civil Procedure, a district court must first find that issues common to the class predominate over individualized issues. The reliance element of fraud at common law, however, is a classic individual inquiry, involving the facts and circumstances of each plaintiff's decision to engage in a particular transaction. As the *Basic* Court recognized, "[r]equiring proof of individualized reliance from each member of the proposed plaintiff class effectively would have prevented respondents from proceeding with a class action, since individual issues then would have overwhelmed the common ones." 485 U.S. at 242.

The fraud-on-the-market theory of indirect reliance, in which a plaintiff's reliance on the market's in-

tegrity substitutes for direct reliance on an alleged misrepresentation, allows the plaintiff to surmount an otherwise insurmountable hurdle to class certification. In so doing, the theory enables a potent form of litigation, in which small declines in share prices can translate into massive claims of aggregated damages to a shareholder class. The high social costs of such class actions, which are well recognized, have prompted repeated legislative efforts to curtail meritless private securities fraud cases and debate about the continued validity of the *Basic* decision. The same considerations mandate that if the *Basic* theory continues as a recognized judicial construct of market-wide reliance, that theory should be wielded carefully and with restraint. It is thus critical that a district court, before allowing a class of open-market investors to avail itself of the fraud-on-the-market theory, must be satisfied that the factual predicates for the application of the theory exist.

One such predicate is that the alleged misrepresentation must actually distort the price of the security at issue. Under the *Basic* paradigm, the public securities markets "rely" on a misrepresentation about a security by incorporating inaccurate information into the price of a security. In the absence of such market impact, it makes no sense to allow a plaintiff to satisfy the reliance element of securities fraud through reliance on the "integrity" of the market price. Proof of price impact is therefore essential to any fraud claim in which reliance is premised on a "fraud on the market."

As the Fifth Circuit correctly insisted, the district court should determine that price impact occurred—that the alleged misrepresentation "*actually moved*

the market," *Oscar Private Equity Invs.* v. *Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007)—prior to certifying a class. In the absence of price impact, there can be no indirect reliance on a misrepresentation through reliance on the market price. And in the absence of such indirect reliance, questions of individual reliance will predominate and render securities fraud claims unsuitable for resolution in a class action under Rule 23. The approach advocated by Petitioner and its *amici*—limiting the fraud-on-the-market inquiry at the class certification stage to the general efficiency of the market in question, and reserving for the merits the issue of whether the market price actually conveyed the particular misrepresentation alleged—represents an unwarranted extension of *Basic* that is incompatible with Rule 23.

The Fifth Circuit also correctly allocated the initial burden to plaintiff to provide evidence of price impact to support its invocation of the fraud-on-the-market theory. As the party invoking the presumption of indirect reliance, the plaintiff should bear the initial burden of establishing the applicability of rule. The Court's characterization in *Basic* of the rule as a rebuttable presumption does not preclude the Court from affirming the Fifth Circuit's approach as appropriate under Rule 23.

The expansion of *Basic* advocated by Petitioner and its *amici* is unwarranted not only as a matter of precedent, but also as a matter of sound judicial policy. *Basic* is grounded on an economic theory that more recent experience and scholarship have undermined. In light of the controversy attendant to the theory and the private securities fraud class actions it sanctioned, the Court should reject efforts by

securities plaintiffs to broaden the theory's practical reach, assuming that the theory has continuing vitality at all.

ARGUMENT

I. THE FRAUD-ON-THE-MARKET THEORY OF RELIANCE DEPENDS ON DISTORTION OF THE MARKET BY AN ALLEGED MISSTATEMENT.

It is not true, as Petitioner and its *amici* suggest, that the core holding of the decision under review represents a departure from this Court's precedent. Rather, the Fifth Circuit's rule that a class of shareholders may not be certified in a Rule 10b-5 case absent proof that an allegedly false statement "*actually moved* the market," *Oscar*, 487 F.3d at 265, follows inexorably from the "fraud-on-the-market" theory of reliance upon which certification depends. That theory is based upon the idea that an investor's reliance on a market price that has been distorted by a misrepresentation is equivalent to reliance on the misrepresentation. If the misrepresentation does not affect market price, it is not communicated to the plaintiff through the market, and there is no reliance.

A. *Basic* and the Rule of Indirect Reliance.

In *Basic*, the Court adopted a special rule, unique to the Rule 10b-5 context, allowing an investor to claim fraud without proof that the investor was aware of the defendant's false or misleading statements at the time of the transaction. Although the Court reaffirmed that, just as in an action for fraud at common law, "reliance is an element of a Rule 10b-5 cause of action," the Court modified the common-law reliance requirement for transactions occurring in "[t]he modern securities markets." *Id.* at 243-44.

The Court held that in an efficient market, in which the price of a security reflects all publicly available information, an investor's reliance on a public misstatement may be established *indirectly* through the misstatement's distortion of the market price. Under this "fraud-on-the-market" theory, as the name suggests, the *market* "relies" on a defendant's misstatements in establishing the market price, and investors in turn rely on the "integrity of the price set by the market." *Id.* at 245.

In *Basic*, the district court certified a class of plaintiff-shareholders under Federal Rule of Civil Procedure 23(b)(3), but acknowledged that it could not have done so without the fraud-on-the-market doctrine. *Id.* at 228 & n.5, 242. Rule 10b-5 plaintiffs, like all fraud plaintiffs, must prove they relied on a misstatement to their detriment. *Id.* at 242-43. "Reliance provides the requisite causal connection between a defendant's misrepresentation and a plaintiff's injury." *Id.* at 243. "[O]rdinarily," it requires a showing that the plaintiff "read or heard the false or misleading representations" and acted on them. 3B Harold S. Bloomenthal & Samuel Wolff, *Securities and Federal Corporate Law* § 13:25 (2d ed. 2010). Because such facts are particular to each plaintiff, individual issues in cases like *Basic* would "overwhelm[] the common ones." 485 U.S. at 242-43.

The fraud-on-the-market theory, which the Court adopted in *Basic*, provides a judicially created path to overcoming the bar on class certification of Rule 10b-5 claims. The theory rests on the "'hypothesis that, in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business.'" *Id.* at 241-42 (quoting *Peil* v. *Speiser*, 806

F.2d 1154, 1160-61 (3d Cir. 1986)). Consequently, if the "available material information" about a company includes material misrepresentations, the stock price will be distorted by the misleading information. *See id.* at 246. Thus, the theory posits that "[a]n investor who buys or sells stock at the price set by the market does so in reliance on the integrity of that price"—that is, on the notion that the price is *not* distorted by deliberate misinformation; after all, "'[w]ho would knowingly roll the dice in a crooked crap game?'" *Id.* at 246-47 (quoting *Schlanger* v. *Four-Phase Sys. Inc.*, 555 F. Supp. 535, 538 (S.D.N.Y. 1982)).

As a result, under the fraud-on-the-market theory, a plaintiff need not show that she relied *directly* on allegedly false information by buying or selling securities based on that information. Rather, a plaintiff need only show that she relied *indirectly* on a material misrepresentation by buying or selling securities in "an impersonal, efficient market" for the securities at issue, where the misrepresentation was reflected in the market price. *See id.* at 248 & n.27 (internal quotation marks omitted). If the market price of a security is distorted by an alleged misrepresentation, "the reliance of individual plaintiffs on the integrity of the market price" serves as a surrogate for reliance on the misrepresentation itself. *Id.* at 247.

B. In the Absence of Evidence that an Alleged Misrepresentation Distorted the Market Price, There Can Be No Indirect Reliance.

The Court's opinion in *Basic*, by its express terms and by its logic, makes clear that an alleged misstatement's distortion of the market price of a security is an essential element of the fraud-on-the-

market theory. Simply put, a theory that draws an inference of investor reliance on a misstatement from investor reliance on the market price of the company's securities has no application unless the misstatement is, in fact, reflected in the market price.

The fraud-on-the-market theory adopted in *Basic* relieves a plaintiff of proving direct reliance on a defendant's material misrepresentation where the plaintiff relied on the "integrity of the market price" that reflected that misrepresentation. *Basic*, 485 U.S. at 247. The theory therefore depends on the notion that in an efficient market, "the dissemination of material misrepresentations . . . *affects the price of the stock*." *Id.* at 244-45 (emphasis added) (internal quotation marks omitted). Of course, the theory falls apart if a misrepresentation does not, in fact, affect the market price. In that case, reliance on the integrity of the market price is no substitute for reliance on a misrepresentation, because the misrepresentation has had no impact on the market price. An actual price impact is critical to the fraud-on-the-market theory's central concern: "whether the market as a whole was fooled." Donald C. Langevoort, *Theories, Assumptions, and Securities Regulation: Market Efficiency Revisited*, 140 U. Pa. L. Rev. 851, 903-05 (1992).

A simple syllogism illustrates the point. Under *Basic*, (a) an investor who buys or sells stock in an open and developed securities market does so in reliance on the integrity of the market price of the stock; (b) all material publicly available information—including any material misrepresentation—is reflected in the market price; and therefore, (c) the investor buys or sells stock in reliance on material misrep-

resentations. For the syllogism to hold, the misrepresentation must affect the market price of the stock; otherwise, step (b) fails and there can be no inference that the investor relied on the misrepresentation. *Cf. Basic*, 485 U.S. at 247 n.24 (the "presumption of reliance" requires a "belie[f] that market professionals generally consider most publicly announced material statements about companies, thereby affecting stock market prices"); *accord No. 84 Employer-Teamster Joint Council Pension Trust Fund* v. *Am. W. Holding Corp.*, 320 F.3d 920, 948 (9th Cir. 2003) ("[T]he fraud-on-the-market theory is premised on the fact that a misrepresentation has affected the stock's price incongruently to the stock's true 'value.'"). In the absence of price impact, therefore, a plaintiff cannot be deemed to have relied indirectly on a misstatement through reliance on the market price, because the alleged misstatement will not have been incorporated into that price.

As the Court in *Basic* recognized, the fraud-on-the-market theory hinges on the notion that an alleged misrepresentation was incorporated into the market price. Thus, the Court established two elements as prerequisites to the application of the theory, each serving to establish that an alleged misrepresentation would in fact distort the market price of the security at issue. First, the Court noted that the market for the security must be *efficient*, i.e., one in which public information is readily digested and immediately reflected in the price of the security. *See* 485 U.S. at 248 & n.27. Where the market is inefficient, prices may remain unaffected by material misstatements and the concept of indirect reliance will falter. Second, the Court stated that the alleged misrepresentation must be *material*, i.e., one that "'would have been viewed by the reasonable investor

as having significantly altered the "total mix" of information made available.'" *Id.* at 231-32 (quoting *TSC Indus., Inc.* v. *Northway, Inc.*, 426 U.S. 438, 449 (1976)). An immaterial misstatement, which by the Court's definition would not be significant to investors, could not support an inference of indirect reliance under the fraud-on-the-market theory because such a misstatement would not affect the market price.

Neither Petitioner nor any of its *amici* appear to dispute that price impact is a necessary component of the fraud-on-the-market theory of reliance.[2] Nor could they: as the Court held, any inference of indirect reliance under the theory ultimately turns on "the link between the alleged misrepresentation" and "the price received (or paid)" for the stock. *Id.* at 248. If the fraud has no impact on the market price of the stock, the link is "broken: the basis for finding that the fraud had been transmitted through market price would be gone." *Id.* There could be no clearer statement of the requirement of price impact to the fraud-on-the-market theory.

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[2] *See, e.g.*, Pet. Br. at 41 ("plaintiffs cannot recover for misrepresentations that did not affect the market price"); Br. of U.S. at 21 ("The gravamen of the fraud-on-the-market theory is that . . . any public material misstatements bearing on the stock's value will presumptively affect the amount that any investor pays for shares during the period that the market is misled."); Br. of Fin. Economists at 7 ("the market can be 'fooled' by public, material misrepresentations, such that the false information is reflected in the market price for the company's securities"); Br. of Law Profs. at 7 ("In proving that a well-developed and open market exists, investors establish a mechanism by which misstatements are shown to generate distortions in market prices.").

II. THE COURT OF APPEALS CORRECTLY REQUIRED PLAINTIFF TO DEMONSTRATE PRICE IMPACT BY A PREPONDERANCE OF THE EVIDENCE AS A PREREQUISITE TO CLASS CERTIFICATION.

Although *Basic* demonstrates that price impact is necessary to application of the fraud-on-the-market theory, the Court did not discuss the relationship between price impact and the elements of fraud, or clearly establish the procedural framework under which the inquiry into price impact should be conducted. This ambiguity has resulted in divergent approaches to class certification of private Rule 10b-5 cases in the Courts of Appeals. The Fifth Circuit in the case under review required the plaintiff to establish proof of price impact prior to class certification. The Second and Third Circuits also consider proof of price impact at the class certification stage, but in the context of the defendant's rebuttal of the *Basic* presumption of reliance. *In re Salomon Analyst Metromedia Litig.* ("*In re Salomon*"), 544 F.3d 474, 485 (2d Cir. 2008); *In re DVI, Inc. Sec. Litig.*, Nos. 08-8033, 08-8045 ("*In re DVI*"), 2011 WL 1125926, at *8 (3d Cir. Mar. 29, 2011). The Seventh Circuit, meanwhile, apparently has concluded that the price impact inquiry should be reserved for trial (although the court was not clear whether the inquiry should be considered part of loss causation, materiality, rebuttal of the *Basic* presumption, or some other analysis). *Schleicher* v. *Wendt*, 618 F.3d 679, 685 (7th Cir. 2010).

The Fifth Circuit's approach is correct.[3] It is distinguished by two critical requirements: (1) determina-

[3] By referring to the doctrine of "loss causation," the Fifth Circuit in *Oscar* unnecessarily implied that certification would be improper in cases in which a plaintiff can demonstrate that a

tion of price impact *prior to* certification of a class based on the fraud-on-the-market theory and (2) allocation of the initial burden of proof of price impact to the plaintiff, as the party invoking the fraud-on-the-market rule of indirect reliance. These two requirements are essential to reconciling *Basic* with Rule 23 and maintaining appropriate limits on the powerful modification of the reliance requirement that the Court adopted in *Basic*.

A. The Price Impact Inquiry Must Be Resolved Before Certification of a Fraud-on-the-Market Class.

As explained in *Basic*, the fraud-on-the-market theory allows certification of an otherwise uncertifiable class in which, absent the rule of indirect reliance, individualized reliance issues would predominate. It follows that certification of a class of plaintiffs claiming securities fraud based on public-market transactions is improper when the theory is inapplicable. In the Rule 10b-5 context, therefore, applicability of *Basic*'s rule of indirect reliance is as much a prerequisite to class certification as any of the expressly enumerated requirements of Rule 23. Because a district court must find that all Rule 23 requirements are satisfied prior to certifying a class, it is incumbent upon the district court to determine

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misstatement affected market price at the time it was made, but, because of subsequent events or other intervening causes (e.g., disclosures of negative news unrelated to the misstatement), the plaintiff is not entitled to recover the particular losses the plaintiff claims. In the decision below, the Fifth Circuit clarified that a plaintiff need only show that the misrepresentation affected market price in the first instance. *See* Resp. Br. at 18.

that the fraud-on-the-market theory is applicable before it may certify a class of public-market traders.

1. This Court has held that Rule 23 requires "rigorous analysis" to ensure that class certification is appropriate. *Gen. Tel. Co. of the Sw.* v. *Falcon*, 457 U.S. 147, 160 (1982); *see also* Fed. R. Civ. P. 23(b)(3) (district court must "find[]" that "questions of law or fact common to class members predominate"). The Court has long recognized that "the class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action." *Coopers & Lybrand* v. *Livesay*, 437 U.S. 463, 469 (1978) (internal quotation marks omitted).

The Courts of Appeals have uniformly interpreted Rule 23 and this Court's precedent to preclude a district court from certifying a class based solely on the plaintiff's allegations. Instead, plaintiffs must demonstrate by a preponderance of the evidence that they have established the necessary predicates to certification, regardless of whether class certification issues overlap with the merits. As a leading treatise explains: "Consensus is rapidly emerging among the United States Courts of Appeal" that courts must "consider evidence, resolve factual disputes that are relevant to Rule 23's criteria, and make determinations under a preponderance of the evidence standard as to satisfaction of those criteria even if those determinations overlap with merits issues." 1 Joseph M. McLaughlin, *McLaughlin on Class Actions* § 3:12 (7th ed. 2011). In the words of a recent Ninth Circuit opinion, "[t]he core holding" across the Circuits on these points "is essentially unanimous." *Dukes* v. *Wal-Mart Stores, Inc.*, 603 F.3d 571, 583 (9th Cir.), *cert. granted in part*, 131 S. Ct. 795 (2010).

For example, in *In re Initial Public Offering Securities Litigation* ("*In re IPO*"), the Second Circuit held that "a district judge may not certify a class without making a ruling that each Rule 23 requirement is met and that a lesser standard such as 'some showing' for satisfying each requirement will not suffice." 471 F.3d 24, 27 (2d Cir. 2006); *see also Teamsters Local 445 Freight Div. Pension Fund* v. *Bombardier Inc.*, 546 F.3d 196, 202 (2d Cir. 2008) ("Although we did not use the words 'preponderance of the evidence' in *In re IPO* to describe the standard of proof applicable to Rule 23 issues, we in effect required the application of a cognate standard . . . ."). All other Courts of Appeals to have considered the issue—nearly all other Circuits—are in accord.[4]

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[4] *See, e.g.*, *In re PolyMedica Corp. Sec. Litig.* ("*In re PolyMedica*"), 432 F.3d 1, 5-6 (1st Cir. 2005) ("a district court is not limited to the allegations raised in the complaint, and should instead make whatever legal and factual inquiries are necessary to an informed determination of the certification issues"); *In re Hydrogen Peroxide Antitrust Litig.*, 552 F.3d 305, 320 (3d Cir. 2008) ("[f]actual determinations necessary to make Rule 23 findings must be made by a preponderance of the evidence"); *Gariety* v. *Grant Thornton, LLP*, 368 F.3d 356, 366 (4th Cir. 2004) ("the factors spelled out in Rule 23 must be addressed through findings, even if they overlap with issues on the merits"); *West* v. *Prudential Sec., Inc.*, 282 F.3d 935, 938 (7th Cir. 2002) ("A district judge may not duck hard questions by observing that each side has some support, or that considerations relevant to class certification also may affect the decision on the merits."); *Blades* v. *Monsanto Co.*, 400 F.3d 562, 575 (8th Cir. 2005) ("in ruling on class certification, a court may be required to resolve disputes concerning the factual setting of the case"); *Vallario* v. *Vandehey*, 554 F.3d 1259, 1266-67 (10th Cir. 2009) ("District courts ensure Rule 23's provisions are satisfied by conducting a rigorous analysis, addressing the rule's requirements through findings, regardless of whether these findings necessarily overlap with issues on the merits." (internal quota-

2. Neither Petitioner nor the Government quarrel with the consensus view that issues necessary to the Rule 23 inquiry must be determined by the district court, using a preponderance of the evidence standard, prior to certification.[5] Nor do they dispute that price impact is essential to the fraud-on-the-market theory.[6] Because all parties also agree that application of the theory is required in order to avoid individualized reliance issues that would render class treatment of securities fraud claims improper, the fact that price impact is a necessary element of the theory would seem to dictate that price impact must be established prior to class certification by a preponderance of the evidence.

Nevertheless, Petitioner and its *amici* advocate an interpretation of *Basic* that would postpone resolution of the price impact inquiry until summary judgment or trial. *See* Pet. Br. at 35, 45-46 ("the proper time to rebut the presumption of reliance . . . is at *trial*"); Br. of U.S. at 16-19 & n.3 ("factual determinations regarding price distortion" should be reserved for trial). Thus, Petitioner and the Government suggest that where a plaintiff's claim is based

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tion marks and citations omitted)); *Williams* v. *Mohawk Indus., Inc.*, 568 F.3d 1350, 1358 (11th Cir. 2009) ("it is appropriate to consider the merits of the case to the degree necessary to determine whether the requirements of Rule 23 will be satisfied" (internal quotation marks omitted)).

[5] *See* Pet. Br. at 48 ("Trial courts must make a rigorous determination of whether the Fed. R. Civ. P. 23 prerequisites are satisfied."); Br. of U.S. at 10 n.1 ("The courts that have addressed the question have held that facts relevant to whether the Rule 23 requirements have been met must be established by a preponderance of the evidence.").

[6] *See supra* note 2.

on public misstatements and open market transactions, the only threshold requirement to invoking the theory at the class certification stage is market efficiency. Pet. Br. at 32, 45 ("plaintiffs may establish reliance on a class-wide basis and satisfy the predominance requirement of Rule 23 by establishing that the stock traded on an efficient market"); Br. of U.S. at 11 (plaintiffs are required to show only "that the company's shares were traded in an efficient market"). *See also* Br. of Law Profs. at 14 ("If investors meet the burden of proving that a particular market is sufficiently efficient, then *Basic* creates a rebuttable presumption that the reliance element of a 10b-5 claim is satisfied."). The thrust of this argument is that because price impact is subject to class-wide proof and relevant to the elements of the Rule 10b-5 claim as well as elements of the fraud-on-the-market theory, it should be presumed at the class certification stage and tested on the merits. Br. of U.S. at 7, 17-18.

This logic is doubly flawed. First, it overstates the *Basic* "presumption." The Court in *Basic* held that *reliance*—not price impact—could be presumed (and proved) indirectly through evidence of an efficient market and a material misrepresentation. The Court did not hold that a misrepresentation's distortion of the market price could be presumed from a mere showing of efficiency. To the contrary, the Court held that the presumption of indirect reliance would be negated by "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." 485 U.S. at 248. Market efficiency, while necessary to the fraud-on-the-market theory, is not sufficient. Efficient markets have been assumed to account for all public information, but not all public information affects the

price of a security traded in an efficient market. In the absence of a price distortion, there is no basis for finding that a plaintiff relied on the misrepresentation by relying on the market price.[7]

Second, dispensing with a showing of price impact at the class certification stage would undermine the sound judicial administration of Rule 10b-5 claims. If the district court were to certify a class under the fraud-on-the-market theory without a showing of price impact, and the plaintiff failed to prove price impact at trial, that failure would not necessarily dispose of the claims of the class. A class can be decertified whenever it becomes apparent that class treatment is inappropriate, including at the end of trial.[8] Because the failure to prove price impact would defeat the fraud-on-the-market theory—and

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[7] The Government recognizes the need for a "market-distortion inquiry," but argues that "so long as [it] turns on factual or legal issues that are common to the members of the class, class certification is appropriate regardless of the perceived likelihood at that early stage that the plaintiffs will be able to establish reliance on the merits." Br. of U.S. at 17. That reasoning is flawed. Efficiency of the market, which all parties agree is a factual predicate to class certification in a fraud-on-the-market case, is also subject to common proof—indeed the same or similar proof that can establish price impact. A finding of efficiency, too, could conceivably be deferred to a later stage of the litigation. But deferral would be improper because—like price impact—market efficiency is a foundational fact upon which the *Basic* theory of indirect reliance rests.

[8] *See* Fed. R. Civ. P. 23(c)(1)(C); *Falcon*, 457 U.S. at 160 ("Even after a certification order is entered, the judge remains free to modify it in the light of subsequent developments in the litigation."); 1 *McLaughlin on Class Actions* § 3:6 ("Prior to entry of final judgment, . . . the district court has an unflagging obligation to intervene at any time—even during trial—if it becomes apparent that certification is inappropriate.").

thus preclude class treatment—courts could interpret Rule 23 as requiring post-trial decertification, rather than entry of judgment against the class on the merits. Indeed, concerns for the due process rights of absent class members, the importance of which this Court has repeatedly emphasized,[9] may lead courts to decertify the class even if insufficient proof of price impact could also be deemed fatal to the merits of the claim at issue.[10]

3. Even if district courts would generally enter judgment against the class upon failure of proof of price impact on the merits, that failure of proof would also mean that certification was inappropriate in the first place. And there is simply no reason why the

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[9] *See, e.g.*, *Ortiz* v. *Fireboard Corp.*, 527 U.S. 815, 845-48 (1999) (interpreting Rule 23(b)(1)(B) narrowly in light of "the due process 'principle of general application in Anglo-American jurisprudence that one is not bound by a judgment *in personam* in a litigation in which he is not designated as a party'" (quoting *Hansberry* v. *Lee*, 311 U.S. 32, 40 (1940))).

[10] *See, e.g.*, *Stastny* v. *S. Bell Tel. & Tel. Co.*, 628 F.2d 267, 276 n.13 (4th Cir. 1980) ("Though a mere withdrawal of certification may be thought unfair to the party opposing the class after a full trial has revealed an underlying failure of proof on the merits of the class claim as alleged," this is the result dictated "by due process concerns for the putative class members."); *accord Briggs* v. *Anderson*, 796 F.2d 1009, 1019, 1029 (8th Cir. 1986) (where plaintiffs failed to establish class-wide employment discrimination at trial, claim would be dismissed without prejudice due to court's "reluctance to bind potential class members"); *O'Brien* v. *Sky Chefs, Inc.*, 670 F.2d 864, 869 (9th Cir. 1982) (decertification, which "avoided any *res judicata* effect against the class," was preferable to entry of summary judgment where plaintiffs' conduct of litigation suggested "inadequate representation" of class interests), *overruled on other grounds by Atonio* v. *Wards Cove Packing Co.*, 810 F.2d 1477 (9th Cir. 1987).

plaintiff should be given a free pass on price impact until the merits stage, as the Seventh Circuit's decision in *Schleicher* contemplates. *See Schleicher*, 618 F.3d at 685 ("It is possible to certify a class under Rule 23(b)(3) even though all statements turn out to have only trivial effects on stock prices.").

Deferring judicial inquiry into price impact unfairly reduces the showing required to obtain class certification and, as a result, enlarges the problem of "blackmail settlements" induced by a small probability of an immense judgment. *Cf.* Henry J. Friendly, *Federal Jurisdiction: A General View* 120 (1973). A decision to certify a class exerts enormous and undue settlement pressure on a defendant, even one with a meritorious defense.[11] This problem is especially acute in private securities cases. Research shows that if putative class securities lawsuits survive dismissal and a large class is certified, the risks to a defendant are so enormous that even weak cases usually settle.[12] The consequences of proceeding to

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[11] *See, e.g.*, *Coopers & Lybrand*, 437 U.S. at 476 ("[c]ertification of a large class may so increase the defendant's potential damages liability and litigation costs that he may find it economically prudent to settle and abandon a meritorious defense"); Fed. R. Civ. P. 23(f) 1998 Advisory Committee Note ("An order granting certification . . . may force a defendant to settle rather than incur the costs of defending a class action and run the risk of potentially ruinous liability."); *Newton* v. *Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 259 F.3d 154, 165 (3d Cir. 2001) ("certifying the class may place unwarranted or hydraulic pressure to settle on defendants").

[12] *See* Denise N. Martin et al., *Recent Trends IV: What Explains Filings and Settlements in Shareholder Class Actions*, 5 Stan. J.L. Bus. & Fin. 121, 156 (1999) ("Generally, we find that the merits do not have much, if any, explanatory power on settlement size."); Janet Cooper Alexander, *Do the Merits Matter? A Study of Settlements in Securities Class Actions*, 43

summary judgment or trial include a risk of massive, if not ruinous, monetary liability, as well as heavy costs to conduct document and deposition discovery and to engage experts. These factors weigh in favor of requiring judicial inquiry into price impact at the class certification stage, rather than deferring the issue to a later stage that often will never come.

4. Petitioner's concerns about the unfairness of requiring proof of price impact at the class certification stage ring hollow. First, there is no legitimate complaint about lack of discovery. *See* Pet. Br. at 52-56 (arguing that "plaintiffs need merits discovery"). For one thing, the proof needed to establish the requisite price impact is found in public documents readily available to any plaintiff. *See Oscar*, 487 F.3d at 267 ("[the proof] demanded by the fraud-on-the-market regimen . . . is drawn from public data and public filings"). Indeed, the same type of proof typically used to show price impact at summary judgment or trial, an event study, is also frequently used at class certification to prove market efficiency—an element of the fraud-on-the-market theory that Petitioner concedes must be established prior to certification. *See, e.g.*, *Teamsters Local 445*, 546 F.3d at 207-08 ("[a]n event study that correlates the disclosures of unanticipated, material information about a security with corresponding fluctuations in price" supports a finding of market efficiency). *See also* Br. of Fin. Economists at 18 ("courts should primarily rely on an event study as the most direct evidence of market efficiency."). For another thing, where discovery is necessary to resolve a factual issue upon

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Stan. L. Rev. 497, 523 (1991) (concluding that "the merits did not affect the settlement amounts").

which class certification depends, district courts routinely grant it.[13]

Second, there is no merit to Petitioner's argument that consideration of price impact at the class certification stage interferes with the Seventh Amendment rights of Rule 10b-5 plaintiffs. *See* Pet. Br. at 62-64. Plaintiffs have no Seventh Amendment right to have a jury determine whether class certification is appropriate. *Cf. Tellabs, Inc.* v. *Makor Issues & Rights, Ltd.*, 551 U.S. 308, 327 n.8 (2007) ("[i]n numerous contexts, gatekeeping judicial determinations prevent submission of claims to a jury's judgment without violating the Seventh Amendment"). Petitioner does not challenge the general rule that factual determinations necessary to Rule 23 findings must be made by the court using a preponderance of the evidence standard. Price impact is such a factual determination, and is not different in any relevant way from market efficiency or any other prerequisite for invoking the fraud-on-the-market theory. Moreover, as the Fifth Circuit explained in *Alaska Electrical Pension Fund* v. *Flowserve Corp.*—a per curiam opinion joined by Justice O'Connor—"[t]he denial of class certification does not prevent a plaintiff from proceeding individually," and the "the court's determination for class certification purposes may be revised (or wholly rejected) by the ultimate fact-finder." 572 F.3d 221, 229 (5th Cir. 2009) (internal

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[13] *See* 5 James Wm. Moore, *Moore's Federal Practice* § 23.85 (3d ed. 2011) ("[t]ypically, district courts will allow discovery relevant to determining whether the requirements" of Rule 23 are satisfied); *see also* Fed. R. Civ. P. 23(c)(1) 2003 Advisory Committee Note ("it is appropriate to conduct controlled discovery . . . limited to those aspects relevant to making the certification decision on an informed basis").

quotation marks omitted). Thus, the Fifth Circuit's rule does not deprive plaintiffs of the right to present meritorious claims to a jury; it simply eliminates the ability to present those claims on behalf of a class—a privilege the Seventh Amendment does not protect.

A determination of the fact of price impact, therefore, should not be deferred until after class certification. Rather, where a putative class seeks the benefit of *Basic* in order to satisfy the Rule 23 requirements, the class may not be certified in the absence of affirmative proof of each factual predicate to the fraud-on-the-market theory of reliance, including price impact.

B. The Court of Appeals Correctly Allocated the Initial Burden of Proof of Price Impact to Plaintiff.

Although *Basic* leaves little room for doubt that the price impact inquiry must be resolved at the class certification stage, its discussion of a "rebuttable presumption" of reliance raises legitimate questions about the allocation of the burden of proof of price impact. The Fifth Circuit held that a plaintiff seeking class certification under the fraud-on-the-market theory bears the initial burden of establishing that the alleged misrepresentation actually moved the market. Petitioner argues that "the Fifth Circuit's ruling negates the presumption established by this Court in *Basic* without requiring any contrary showing by defendants." Pet. Br. at 32. To be sure, the *Basic* Court referred to the ability of defendants to "rebut the presumption of reliance" through "[a]ny showing that severs the link between the alleged misrepresentation and . . . the price received (or paid) by the plaintiff." 485 U.S. at 249; *see also id.* (defendants may "show that the misrepresentation in fact

did not lead to a distortion of price"). Although this discussion is in tension with the Fifth Circuit's approach, *see In re Salomon*, 544 F.3d at 483, 485, allocation of the initial burden of proof of price impact to plaintiff is appropriate.

1. Allocating the initial burden of proof of price impact to the plaintiff is consistent with the sensible view that, in the fraud-on-the-market context, price impact is a surrogate for materiality. *Basic* requires a plaintiff to establish certain "threshold facts" to invoke the fraud-on-the-market theory in the first instance. 485 U.S. at 248. Among other things, a plaintiff "must allege and prove" that the defendant's "misrepresentations were *material*." *Id.* at 248 n.27 (emphasis added). As noted above, the requirement that the alleged misstatement be material is an essential component of the fraud-on-the-market theory. An efficient market will react only to significant information; information that the market deems immaterial will be disregarded. Thus, a theory of reliance based on a misstatement's influence on the market must take into account the materiality of the alleged misstatement. Other courts applying *Basic* have consistently recognized materiality as a threshold requirement to invoking the fraud-on-the-market theory.[14]

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[14] *See, e.g.*, *In re PolyMedica*, 432 F.3d at 8 n.11 ("plaintiff must prove . . . that the misrepresentations were material" (internal quotation marks omitted)); *In re Salomon*, 544 F.3d at 481 (same requirement); *Gariety*, 368 F.3d at 364 (same); *Freeman* v. *Laventhol & Horwath*, 915 F.2d 193, 197-98 (6th Cir. 1990) (same); *Gebhardt* v. *ConAgra Foods, Inc.*, 335 F.3d 824, 831 (8th Cir. 2003) (same); *Desai* v. *Deutsche Bank Sec. Ltd.*, 573 F.3d 931, 940 (9th Cir. 2009) (same); *see also Berks County Employees Ret. Fund* v. *First Am. Corp.*, 734 F. Supp. 2d 533, 539-41 (S.D.N.Y. 2010) (denying class certification where

In *Basic*, the Court defined material information as that which a "'reasonable shareholder would consider . . . important.'" *Id.* at 231 (quoting *TSC*, 426 U.S. at 449); *see also id.* at 234 ("[t]he role of the materiality requirement is . . . to filter out essentially useless information that a reasonable investor would not consider significant"). Although the Court did not further define the term, or examine its relationship to price impact in the context of market-based transactions, subsequent experience by the lower courts in fraud-on-the-market cases suggests an important refinement. In an impersonal, efficient market, prices are set by the trading of market participants attempting to capitalize on information affecting a company's value.[15] In such circumstances, the

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plaintiff had "not demonstrated that defendants' alleged misstatements and omissions were material" and thus "could not avail itself of . . . the fraud-on-the-market doctrine"). The Seventh Circuit in *Schleicher* v. *Wendt* argues that such cases "misread[] *Basic*" by interpreting footnote 27 of that opinion as this Court's statement of the prerequisites for invoking the fraud-on-the-market theory, whereas the Court was merely reporting what the Sixth Circuit had required. *See* 618 F.3d at 687 (citing *Basic*, 485 U.S. at 248 n.27). It is the *Schleicher* view, however, that is mistaken. In footnote 27 of *Basic*, this Court did more than note the elements required by the Sixth Circuit; it commented that two of the elements—one of which was materiality—"may collapse into one," an evaluative comment that indicates the Sixth Circuit's analysis was otherwise appropriate.

[15] *See, e.g.*, *Basic*, 485 U.S. at 246 ("'The idea of a free and open public market is built upon the theory that competing judgments of buyers and sellers as to the fair price of a security brings [*sic*] about a situation where the market price reflects as nearly as possible a just price.'" (quoting H.R. Rep. No. 73-1383, at 11 (1934) (bracketed text in *Basic*))); *In re PolyMedica*, 432 F.3d at 9 (in efficient markets, "arbitrageurs immediately attempt to profit from [new] information . . . , thereby causing

inquiries into materiality and price impact converge: the market, standing in for the hypothetical "reasonable investor," determines whether information is material by reacting upward, downward, or not at all. Evidence that a given piece of information either did or did not move the price thus answers the question posed by the materiality inquiry: it shows whether the market considered the information important. Put another way, in the absence of price impact, the misstatement cannot be said to have substantively altered the relevant "'total mix' of information," *see TSC*, 426 U.S. at 449, and cannot support a claim that investors relied indirectly, through market price, on the alleged misstatement.

Based on this insight, the Third Circuit has "fashioned a special rule for measuring materiality in the context of an efficient securities market." *Oran* v. *Stafford*, 226 F.3d 275, 282 (3d Cir. 2000) (Alito, J.). The rule originated in *In re Burlington Coat Factory Securities Litigation*, where the Third Circuit recognized that in an efficient market, reasonable investors are, "in effect, the market" itself. 114 F.3d 1410, 1425 (3d Cir. 1997) (Alito, J.). Thus, "to the extent that information is not important to reasonable investors, it follows that its release will have a negligible effect on the stock price." *Id.* "As a result, when a stock is traded in an efficient market, the materiality of disclosed information may be measured post hoc by looking to the movement, in the period

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the stock to move to a price which reflects the latest public information concerning the stock, where it is no longer possible to generate profits"); *Eckstein* v. *Balcor Film Invs.*, 8 F.3d 1121, 1129 (7th Cir 1993) ("Competition among savvy investors leads to a price that impounds all available information, even knowledge that is difficult to articulate.").

immediately following disclosure, of the price of the firm's stock." *Oran*, 226 F.3d at 282. The Third Circuit observed that "if a company's disclosure of information has no effect on stock prices, 'it follows that the information disclosed . . . was immaterial as a matter of law.'" *Id.* (quoting *Burlington*, 114 F.3d at 1425).[16]

The Third Circuit's rule substitutes the actual, observable workings of an efficient securities market—as typically measured by well-accepted statistical methods in event studies—for a judicial guess as to what a hypothetical reasonable investor might or might not find important. It thus promotes even-handed application of an analysis that otherwise "lies much in the eye of the beholder."[17] The "market reaction to corporate disclosure is often clearly superior to other available evidence of materiality" and "will likely provide the most compelling evidence of the information's materiality."[18] Rather than resorting to subjective measures of materiality—which result in subjective and unpredictable

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[16] Because the Third Circuit does not view materiality as a prerequisite to a plaintiff's invocation of the fraud-on-the-market theory, that court has held that a defendant may rebut the presumption of reliance by showing that an alleged misstatement was immaterial, which in the Third Circuit means that the alleged misstatement did not affect the market price. *See In re DVI*, 2011 WL 1125926, at *7-8. However, as *Basic* dictates, and most other Circuits have recognized, it is plaintiffs who bear the burden of establishing that a misrepresentation was material before they may invoke the fraud-on-the-market theory. *See supra* note 14.

[17] Richard C. Sauer, *The Erosion of the Materiality Standard in the Enforcement of the Federal Securities Laws*, 62 Bus. Law. 317, 355 (2007).

[18] *Id.* at 325-26, 356.

outcomes[19]—in fraud-on-the-market cases it makes sense to determine materiality by reference to objective, reliable evidence of what the market deems important.[20]

In light of the advantages of defining materiality in the fraud-on-the-market context to include only information with a demonstrated impact on market price, the Court should take this opportunity to clarify the *Basic* definition accordingly. Such a definition is consistent with the fraud-on-the-market theory and the approach in *Basic* of adapting Rule 10b-5 requirements as appropriate to take into

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[19] *See, e.g.*, *Litwin* v. *Blackstone Group, L.P.*, No. 09-4426-cv, 2011 WL 447050, at *10 (2d Cir. Feb. 10, 2011) (alleged misstatements were material because the court deemed them significant at a business segment level despite accounting for less than 5 percent of the registrant's total revenues); *Gebhardt*, 335 F.3d at 827-30 (corporate defendant's earnings misstatements could be material even though "the amount of earnings misrepresented was merely 0.4 per cent[] of [its] total revenues during the years in question" and "the problem was mostly one of having the money attributed to the wrong year, as opposed to not having ever made the money at all").

[20] Under the approach advocated here, the difficult and industry-specific issue addressed in *Matrixx Initiatives, Inc.* v. *Siracusano*, 79 U.S.L.W. 4187 (U.S. Mar. 22, 2011), *aff'g* 585 F.3d 1167 (9th Cir. 2009)—whether a plaintiff alleging fraud based on a drug company's failure to disclose the possibility of a drug's adverse side effects must allege that the side effects are supported by statistically significant data—could have been avoided. An approach to materiality based on the *market*'s determination of the importance of the side-effect information, as reflected by price movements, apparently would have yielded the same conclusion of materiality reached by the Court. *Id.* at 4189 (noting that stock price "plummeted" following national television segment about possible side effects); *see also* 585 F.3d at 1174 (stock fell 23.8% in one day).

account the realities of the "modern securities markets." 485 U.S. at 243.

2. Even if the Court reads *Basic* not to impose any obligation on a plaintiff to introduce evidence of price impact before invoking the presumption of reliance, there is good reason for the Court to amplify that *Basic* requires such proof.

The linchpin of the fraud-on-the-market theory is that investors are harmed when they buy stock in reliance on the integrity of a market price distorted by misrepresentations. When a misstatement has no effect on the market price, the integrity of the price remains unblemished, and investors cannot be said to have indirectly relied on the alleged misstatement. *See, e.g.*, *Nathenson* v. *Zonagen Inc.*, 267 F.3d 400, 419 (5th Cir. 2001) ("If the market price was not *actually* affected by the statement, reliance on the market price does not of *itself* become reliance on the statement.") In light of the centrality of price impact to the theory of indirect reliance, it is fair and appropriate that the party seeking to avail itself of that theory should carry the initial burden of presenting evidence of price impact.

Plaintiffs, after all, are the ones seeking the benefits of the fraud-on-the-market theory—and the benefits are hard to overstate. As described above, the fraud-on-the-market theory rewrote the common law of reliance in plaintiffs' favor. At common law, plaintiffs had the burden of showing direct reliance on a misstatement through individual proof. Under the fraud-on-the-market theory, plaintiffs enjoy an inference of indirect reliance that is triggered by common proof—making it possible to bring Rule 10b-5 class actions that wield enormous settlement pressure. In exchange for such advantages, it is

hardly asking too much for plaintiffs to show that the fraud-on-the-market theory applies to their case with evidence that the alleged misstatement moved the market.

III. THE FRAUD-ON-THE-MARKET THEORY SHOULD NOT BE EXTENDED BEYOND ITS DOCTRINAL FOUNDATION.

For the reasons explained above, the approach Petitioner advocates—permitting certification of a class of Rule 10b-5 claimants under the fraud-on-the-market theory without proof of price impact—represents a substantial departure from *Basic* and a relaxation of the requirements for invoking the fraud-on-the-market doctrine. In addition to being unwarranted by this Court's precedent, such a liberalization would exacerbate the problems posed by the theory and the uniquely powerful form of litigation it enables in conjunction with the implied private right of action under Rule 10b-5. Such expansion of the role of the theory is unwarranted in light of two decades' experience with *Basic*.[21]

Though it may have been supported by empirical studies that were "[r]ecent" when *Basic* was decided, *see* 485 U.S. at 246 & n.24, the efficient capital markets hypothesis on which *Basic* rested is no longer sound. Since that 1988 decision, a flood of "theoretical and empirical research that raises severe questions" about the hypothesis has all but washed

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[21] This Court has recently expressed reluctance to further expand the Rule 10b-5 cause of action in another context. *See, e.g., Stoneridge Inv. Partners, LLC* v. *Scientific-Atlanta, Inc.*, 552 U.S. 148, 165 (2008) ("Though it remains the law, the § 10(b) private right should not be extended beyond its present boundaries.").

away its central premise, which no longer appears warranted. Jeff Schwartz, *Fairness, Utility, and Market Risk*, 89 Or. L. Rev. 175, 224 (2010).[22] And another pillar of *Basic*'s fraud-on-the-market theory—the assumption that most purchasers and sellers rely on a stock's price as an intrinsic reflection of its value (*see* 485 U.S. at 246-47)—has been undermined by experience. Recent research suggests that large numbers of traders (including momentum traders, program traders, and day traders) employ strategies that reflect little reliance, or no reliance whatever, on price as a measure of value.[23] At a minimum, the growing data casting doubt on the validity of the fraud-on-the-market theory counsel against watering down the showing required to obtain class certification using that theory.

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[22] *See also, e.g.*, Frederick C. Dunbar & Dana Heller, *Fraud on the Market Meets Behavioral Finance*, 31 Del. J. Corp. L. 455, 471 (2006) ("The growing academic literature documenting violations of the efficient market hypothesis, along with the accumulated research on 'irrationality' of some investors, should prompt scholars, practitioners and regulators to examine the implications of these developments on securities law in general, and on the unchallenged applicability of fraud-on-the-market theory in particular."); Lawrence A. Cunningham, *From Random Walks to Chaotic Crashes: The Linear Genealogy of the Efficient Capital Markets Hypothesis*, 62 Geo. Wash. L. Rev. 546, 608 (1994) (recommending that "legal scholars and policymakers focus more closely on recent developments in mathematics and physics that call into question even the weak form" of the hypothesis).

[23] *See, e.g.*, Jill E. Fisch, *The Overstated Promise of Corporate Governance*, 77 U. Chi. L. Rev. 923, 955-56 (2010) (momentum trading); SEC Office of Compliance Inspections & Examinations, *Special Study: Report of Examinations of Day-Trading Broker-Dealers* (2000), *at* http://www.sec.gov/news/studies/daytrading.htm (day trading).

Absent a ruling by this Court emphasizing that the fraud-on-the-market theory must remain tethered to its original justifications, lower courts will likely continue to apply the theory in new and potentially unwarranted contexts. For example, although *Basic* applied the fraud-on-the-market theory only to the alleged misstatements of an issuer, as all of the prior appellate-court fraud-on-the-market cases had done, *see* Brief for the SEC as Amicus Curiae at 21 n.24, *Basic Inc.* v. *Levinson* (No. 86-279) lower courts have applied the theory in cases alleging misstatements by research analysts rather than issuers. *See, e.g.*, *In re Salomon*, 544 F.3d at 481; *In re Credit Suisse-AOL Sec. Litig.*, 465 F. Supp. 2d 34, 54 (D. Mass. 2006); *In re Enron Corp. Sec. Derivative & ERISA Litig.*, 529 F. Supp. 2d 644, 740-42 (S.D. Tex. 2006). The courts have done so despite good reason to believe that analyst statements often will have no impact on the market price.[24] Such unwarranted expansion of the fraud-on-the-market theory would be effectively curtailed by a ruling from this Court that the theory "may not be the basis for recovery in respect to an alleged misrepresentation which does not affect the market price of the security in question." *Nathenson*, 267 F.3d at 415.

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[24] *See, e.g.*, Qi Chen et al., *The Applicability of the Fraud on the Market Presumption to Analysts' Forecasts*, at 30 (Duke Univ. Fuqua Sch. of Business Faculty Research Paper No. FRPS06-226, 2005), *at* http://faculty.fuqua.duke.edu/~qc2/bio/Research/FOTM.pdf (empirical study concluding that "most analysts, and most analysts' forecasts, have no material influence on share values"); Ambitabh Dugar & Siva Nathan, *Analysts' Research Reports: Caveat Emptor*, 5 J. Investing 13, 17 (1996) ("the market reaction to [analysts'] favorably biased reports is insignificant").

CONCLUSION

The judgment of the Court of Appeals should be affirmed.

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AMICUS CURIAE BRIEF

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IN THE
Supreme Court of the United States

ERICA P. JOHN FUND, INC.
F/K/A ARCHDIOCESE OF MILWAUKEE
SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO. AND DAVID J. LESAR,
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INTEREST OF *AMICI CURIAE*[1]

When it enacted the Private Securities Litigation Reform Act of 1995 ("PSLRA"),[2] Congress expressed a preference that the investor with the largest financial interest should be appointed as the lead plaintiff in a securities-fraud class-action suit. *See* 15 U.S.C. § 78u-4(a)(3)(B)(iii) (creating a "rebuttable presumption" that person with the "largest financial interest in the relief sought by the class" will be appointed lead plaintiff). In doing so, Congress explained that it wanted "to increase the likelihood that institutional investors will serve as lead plaintiffs" and also its belief "that increasing the role of institutional investors in class actions will ultimately benefit the class and assist the courts." S. Rep. No. 104-98, at 11 (1995).

Amici public pension and retirement funds, which are listed by name in Appendix, *infra*, 1a, control more than $700 billion in invested assets on behalf of more than 4.8 million active and retired individual members and beneficiaries. As a result, *amici* and the individuals on whose behalf they invest have a substantial interest in the proper interpretation of the federal securities laws and in the application of the law and this Court's precedents to class-action

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[1] Pursuant to Supreme Court Rule 37.6, counsel for *amici* represent that no counsel for a party authored this brief in whole or in part and that none of the parties or their counsel, nor any other person or entity other than *amici*, their members, or their counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Rule 37.3(a), counsel for *amici* represent that all parties have filed letters with the Clerk giving blanket consent to the filing of *amicus* briefs.

[2] Pub. L. No. 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.).

lawsuits asserting federal securities-law claims, including an interest in ensuring that those laws are not interpreted and applied in a manner that prevents investors from recovering for real economic losses that have been caused by companies or individuals who have engaged in fraudulent and misleading activities in violation of the securities laws.

INTRODUCTION

Amici agree with petitioner that the court of appeals' rule requiring putative class plaintiffs to prove loss causation at the class certification stage is inconsistent with Federal Rule of Civil Procedure 23 and this Court's precedents. We submit this brief, however, to address a different aspect of the court of appeals' decision. In discussing the procedural rule as to what must be proved during class certification, the court, based at least in part on Fifth Circuit precedent, also announced a substantive rule regarding what a plaintiff must prove to show loss causation. *See* App. 121a-122a.

Amici respectfully submit that there is no need in this case for the Court to address whether the Fifth Circuit's discussion of the substantive requirements for proving loss causation is correct. Issues as to the appropriate standard for pleading and proving loss causation are not squarely before the Court, and the procedural issues regarding class certification can be resolved without touching upon the substantive loss-causation test. Because *amici* believe that the loss-causation standard applied by the court of appeals is contrary to this Court's holding in *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336 (2005), however, and because any endorsement of the court of appeals' substantive approach – even implicitly – would be severely detrimental to the interests of *amici* and

investors more generally, we write to explain why the Fifth Circuit's approach to loss causation is fundamentally at odds with *Dura* and, if addressed by this Court, should be rejected.

SUMMARY OF ARGUMENT

I. The Court made clear in *Dura* that the common-law concept of "proximate cause" is the appropriate standard for establishing loss causation in a securities-fraud case. 544 U.S. at 346. It held that, where plaintiffs allege that false or misleading statements caused them to purchase securities at an inflated price, they also must allege facts demonstrating that the stock price subsequently declined for reasons connected to the earlier misrepresentations – for example, because the "truth" had begun to "leak out" or had otherwise "ma[de] its way into the marketplace." *Id.* at 342. In so holding, the Court did not prescribe any particular type of information or "truth" that would have to be disclosed to the market regarding the prior representations in order to trigger loss causation.

In this case, the court of appeals announced a standard for proving loss causation that is contrary to *Dura* and that is far more restrictive than the "proximate cause" test adopted by this Court. The Fifth Circuit held that a securities-fraud plaintiff must show that the decline in a defendant's fraudulently inflated stock price followed a very specific type of "corrective disclosure" – essentially a disclosure by the company that admitted the actual falsity of its prior disclosures. *See* App. 121a (holding that "plaintiffs must prove the corrective disclosure shows the misleading or deceptive nature of the prior positive statements"). This rigid test would not allow plaintiffs to establish loss causation in cases where

the truth regarding the falsity of the prior representations began to "leak out" in more subtle ways that did not on their face admit that the prior statements were false. Nor would it permit recovery where the very risks that were concealed by the false statements were reasonably foreseeable consequences of those statements and later materialized to cause the stock's price to fall – a test some courts call the "materialization of the concealed risk." For example, where a company falsely inflates its financial statements and thereby conceals the risk that it soon will face insolvency, its subsequent bankruptcy filing would be a materialization of the risk that it previously had concealed, and investor losses would be recoverable under a proximate-cause theory. But, if the bankruptcy filing was not preceded by a "corrective disclosure" admitting that the prior financial statements were false, the Fifth Circuit's approach would deny recovery of even these reasonably foreseeable losses. That approach would lead to inequitable results.

The Fifth Circuit's erroneous standard also would create perverse incentives for companies that have engaged in securities fraud. Those companies arguably could insulate themselves from liability by refraining from correcting past misstatements or otherwise admitting their unlawful conduct until a time when the harmful effects of the past activity had already driven down their stock price – for example, waiting to admit to an accounting fraud until after they filed for bankruptcy or after they have suffered other financial harms that had been concealed by the past misleading statements.

Thus, not only is the Fifth Circuit's test fundamentally inconsistent with *Dura*, but numerous other

federal courts before and after *Dura* have refused to impose a similarly inflexible standard and have rejected arguments urging adoption of such an approach. Those courts apply a standard that is more in line with traditional notions of proximate cause.[3]

II. Application of a standard like the one imposed by the court below would deny recovery for legitimate investor losses proximately caused by false and misleading statements. Several real-world and hypothetical examples of securities frauds establish that point. Under the Fifth Circuit's "corrective disclosure" test, investors with otherwise meritorious claims wrongly would be denied recovery of real, reasonably foreseeable economic losses flowing from the fraud. Indeed, as discussed below, even investors who sustained losses as a result of the massive Enron fraud would be precluded from recovering the vast majority of those losses under the court of appeals' approach.

III. The Fifth Circuit's standard not only misstates the law, but also is unnecessary as a bright-line test to screen potentially frivolous suits. Other elements

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[3] Although petitioner does not directly take on the Fifth Circuit's substantive loss-causation standard, it is apparent that it also agrees that loss causation is more complex than the rigid "corrective disclosure" standard articulated by the court below. Petitioner has argued why merits discovery is necessary for proof of loss causation. *See* Pet. Br. 55-56; *see also id.* at 50 (noting that "loss causation has been compared to the tort concept of proximate cause") (internal quotations omitted). Indeed, applying the proper standard for proving loss causation, it is even more apparent why the Fifth Circuit's procedural rule also is erroneous. Because the proximate-cause approach often will be fact-intensive and require discovery into complex issues about foreseeability and causation, those issues are particularly inappropriate for resolution during class certification.

of securities-fraud actions, including the heightened pleading requirements for scienter and the need to identify misstatements with particularity in accordance with the PSLRA, are more than adequate congressional safeguards against unmeritorious claims.

ARGUMENT

I. THE COURT OF APPEALS' RIGID STANDARD FOR PROVING LOSS CAUSATION IS CONTRARY TO THE HOLDING IN *DURA PHARMACEUTICALS V. BROUDO*

A. The Court Of Appeals' Holding Is Erroneous

In reaching its procedural holding that a putative class-action plaintiff must prove loss causation "at the class certification stage by a preponderance of all admissible evidence," App. 115a (internal quotations omitted), the Fifth Circuit also explained the substantive rule it applied to analyze whether petitioner had met the burden in this case. Relying on Fifth Circuit precedent,[4] the court held that, in addition to a showing that it purchased stock at an artificially inflated price, a plaintiff also must demonstrate a corrective disclosure admitting the falsity of prior representations following which the price of the stock declined. The court explained that, "[b]y relying on a decline in price following a corrective disclosure as proof of causation, a plaintiff need prove that its loss resulted directly *because* of the correction to a prior misleading statement." App. 116a-117a.

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[4] Specifically as relevant to the loss-causation discussion, see *Alaska Electrical Pension Fund v. Flowserve Corp.*, 572 F.3d 221 (5th Cir. 2009) (per curiam); *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261 (5th Cir. 2007); and *Greenberg v. Crossroads Systems, Inc.*, 364 F.3d 657 (5th Cir. 2004).

Particularly troubling was the court of appeals' articulation of the precise and very narrow type of information that would have to be disclosed to the public to trigger a decline in the stock price for which an investor could recover. The court held that, "[w]hen confronted with allegedly false financial predictions and estimates, the district court must decide whether the corrective disclosure more probably than not shows that the original estimates or predictions were designed to defraud." App. 122a. The court further explained that "plaintiffs must prove the corrective disclosure shows the misleading or deceptive nature of the prior positive statements" and that "the truth revealed by the corrective disclosure must show that the defendant more likely than not misled or deceived the market with earnings misstatements that inflated the stock price." App. 121a-122a.

Thus, under the Fifth Circuit's standard of loss causation, plaintiffs must show that defendant's stock price fell in response to the disclosure of the actual falsity of its prior statements and that those statements "were designed to defraud." App. 122a. Indeed, it is not enough under the court's standard that a stock price declines because of a subsequent disclosure of adverse underlying financial realities that previously were concealed by the fraud. Nor does it appear that the court's standard would permit information slowly to leak out in more subtle or less direct ways and thereby cause the stock price decline. Rather, the "corrective" disclosure itself must demonstrate that the prior statements were actually false when made and led directly to the price decline.[5]

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[5] The standard the court of appeals articulated in this case appears to be even more restrictive than that articulated in the Fifth Circuit precedent that the court purported to apply. In

The court of appeals then applied its overly restrictive disclosure requirement to conclude that statements alleged to have related to such prior falsehoods nevertheless did not demonstrate that the prior statements were false. For example, although petitioner alleged that Halliburton's asbestos reserves had been intentionally understated, the court nevertheless concluded that Halliburton's subsequent announcements that it would increase those same reserves did not on their face "show that those prior reserve estimates were intentionally misleading." App. 126a. Thus, although Halliburton's increases to the same reserves caused a decline in the stock price, *see* App. 124a-125a, the court did not treat them as corrective disclosures and found no loss causation.

B. *Dura* Adopted A Traditional Proximate-Cause Analysis For Loss Causation That Is Inconsistent With The Court Of Appeals' Approach

In *Dura*, the Supreme Court addressed a split of authority that had developed in the circuit courts in the wake of *Basic Inc. v. Levinson*, 485 U.S. 224 (1988), as to what is required to prove loss causation

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Oscar, the court held that plaintiffs must prove only that the subsequent disclosure of negative "'truthful'" information was "'related'" to the prior alleged false statements and "'that it is more probable than not that it was this negative statement, and not other unrelated negative statements, that caused a significant amount of the decline.'" 487 F.3d at 266 (quoting *Greenberg*, 364 F.3d at 666); *but see id.* at 270 (requiring "proof of a corrective disclosure's significant contribution to a price decline"). Similarly, in *Flowserve*, the court held that a plaintiff "is not required" to show that the market learned that prior statements were, in fact, fraudulent, and it rejected defendant's position that "a fraud causes a loss only if the loss follows a corrective statement that specifically reveals the fraud." 572 F.3d at 230-31.

in a fraud-on-the-market case. The Ninth Circuit in the *Dura* case had held that a securities-fraud plaintiff in such cases could prove that the defendant's fraud caused the plaintiff's economic loss by alleging only that the price of the security "*on the date of purchase* was inflated because of the misrepresentation." 544 U.S. at 338 (internal quotations omitted). Unlike the Ninth Circuit, however, the majority of the other circuits required plaintiffs to prove more than mere price inflation at the time of the purchase to establish loss causation. In those circuits, plaintiffs also would have to establish some connection between the fraud and the security's subsequent decline in value.[6]

The Supreme Court agreed with the majority of the circuits that the mere allegation that the fraud inflated the price of the security, without more, was insufficient to show loss causation. *See id.* at 342, 346. It held that, where the plaintiff's loss results from a stock price decline, the plaintiff must show that the decline was "proximately caused" by the fraud. *Id.* at 346. In reaching that conclusion, the Court observed the requirement under the PSLRA that the plaintiff bears the burden of proving that the defendant's fraud "caused the loss for which the plaintiff seeks to recover." 15 U.S.C. § 78u-4(b)(4). The Court also opined that securities-fraud actions "resemble in many (but not all) respects common-law deceit and misrepresentation actions." 544 U.S. at 343; *see also id.* at 345 (a securities claim is a "judicially implied cause of action with roots in the common law"). The

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[6] *See, e.g., Emergent Capital Inv. Mgmt., LLC v. Stonepath Group, Inc.*, 343 F.3d 189, 198-99 (2d Cir. 2003); *Semerenko v. Cendant Corp.*, 223 F.3d 165, 184-85 (3d Cir. 2000); *Bastian v. Petron Res. Corp.*, 892 F.2d 680, 683-85 (7th Cir. 1990); *Robbins v. Koger Props., Inc.*, 116 F.3d 1441, 1447-49 (11th Cir. 1997).

Court then reviewed the relevant guidance in the Restatement (Second) of Torts (1977) ("Restatement"), which "set[s] forth the judicial consensus," 544 U.S. at 344, and other judicial and secondary sources concerning the common law's loss-causation requirements. This led the Court to conclude that securities-fraud plaintiffs must "allege and prove the traditional elements of causation and loss." *Id.* at 346.

Because the plaintiff in *Dura* had not pleaded anything more than the allegation that, because of defendant Dura's prior misrepresentations, the plaintiff had paid an "artificially inflated purchase price" for Dura's stock, the Court concluded that this was not itself a "relevant economic loss" and could not establish loss causation. *Id.* at 347. Missing from the complaint were any allegations that linked the subsequent decline in the stock price to Dura's misrepresentations. That is, the complaint failed to allege that "Dura's share price fell significantly after the truth became known." *Id.*

In holding that the plaintiff's allegations were insufficient, the Court explained what it had in mind that would be required to prove that a decline in the stock's price was proximately caused by a subsequent disclosure of the "truth" concerning the alleged misrepresentations -- that is, the disclosure of the underlying realities that had been concealed by the false statements. Rather than requiring any single statement or any particular type of corrective disclosure or content thereof, however, the Court recognized that loss causation could be shown from price declines where "the relevant truth begins to leak out" or where "the truth makes its way into the marketplace." *Id.* at 342. Likewise, the Court quoted the Restatement's discussion of the liability of "a person

who 'misrepresents the financial condition of a corporation in order to sell its stock.'" *Id.* at 344 (quoting Restatement § 548A cmt. b). The Restatement explains that a corporation becomes liable to an investor "for the loss that he sustains when the facts as to the finances of the corporation become generally known and as a result the value of the shares is depreciated on the market, because that is the obviously foreseeable result of the facts misrepresented." Restatement § 548A cmt. b.

The Fifth Circuit's standard cannot be reconciled with this Court's discussion and holding in *Dura*. The Fifth Circuit's rule requiring a specific "corrective disclosure" admitting the falsity of prior representations followed by a price decline is far more restrictive and narrow than this Court's recognition that relevant information might not be disclosed starkly in a single "correction," but instead could "leak out" over time and gradually "make[] its way into the marketplace."[7] As discussed below, *see infra* Part II, the court of appeals' standard would prevent recovery in numerous cases where investors incurred real losses as evidenced by declining stock prices caused by gradual or subtle revelations of facts that made it clear over time that a company's prior statements were false. Securities frauds can be extremely complex and can be "revealed" to the public in myriad ways. Thus, the related causation

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[7] Similarly, at oral argument, Justice Breyer observed that the relevant truth concerning prior misstatements might "come[] out in subtle ways as well as direct ways." Oral Arg. Tr. at 54, *Dura* (Jan. 12, 2005) (No. 03-932), *available at* http://www.supremecourt.gov/oral_arguments/argument_transcripts/03-932.pdf.

issues cannot be pigeon-holed into one catch-all, inflexible rule like that imposed by the Fifth Circuit.

This Court's discussion in *Dura* makes it clear that the court of appeals' rigid approach is not what this Court had in mind.[8] By invoking the far more flexible common-law principles of proximate causation as the appropriate standard, this Court recognized that the standards for proving loss causation in securities cases are flexible enough to meet the particular facts of specific cases. Indeed, this Court previously has concluded that analysis of "proximate cause" is not limited to one particular approach, but instead is a common-law concept that takes "many shapes" and "reflects 'ideas about what justice demands, or of what is administratively possible and convenient.'" *Holmes v. Securities Investor Protection Corp.*, 503 U.S. 258, 268 (1992) (quoting W. Page Keeton et al., *Prosser and Keeton on the Law of Torts* § 41, at 264 (5th ed. 1984) ("*Prosser and Keeton*")). Commentators likewise have observed that "there are countless variations of theory in this area of the law" and that proximate causation's idea of a "foreseeable" harm is one of the law's more "flexible concepts." *Prosser and Keeton* § 42, at 273-74; *see id.* § 41, at 263 (noting

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[8] The petitioners and several of their *amici* in *Dura* urged the Court to adopt the very same bright-line "corrective disclosure" approach that the Fifth Circuit has since imposed. *See* Brief for Petitioners at 14, 17, *Dura* (No. 03-932), 2004 WL 2075752; Brief of Washington Legal Foundation as *Amicus Curiae* in Support of Petitioners at 24, *Dura* (No. 03-932), 2004 WL 2069563 (arguing that "a plaintiff is required to plead that a corrective disclosure or disclosures removed the artificial inflation from the market price of the security and thereby caused an economic loss"). This Court opted, instead, for the more general proximate-causation standard and otherwise concluded that it "need not, and do[es] not, consider other proximate cause or loss-related questions." 544 U.S. at 346.

that, "despite the manifold attempts which have been made to clarify the subject," there is not "any general agreement as to the best approach"). As Justice Cardozo explained while still on the New York Court of Appeals, "[t]here is nothing absolute in the legal estimate of causation. Proximity and remoteness are relative and changing concepts." *Bird v. St. Paul Fire & Marine Ins. Co.*, 224 N.Y. 47, 55 (1918) (Cardozo, J.). The Fifth Circuit's "corrective disclosure" approach attempts to impose an inflexible standard in an area where flexibility is required.

Indeed, one of the illustrations in the section of the Restatement invoked by *Dura* plainly contradicts the Fifth Circuit's position that there must be a corrective disclosure revealing falsity of prior statements to establish causation:

> A, seeking to buy bonds for investment, approaches B. B offers A the bonds of X Oil Corporation, fraudulently misrepresenting its financial condition. In reliance upon these statements, A buys the bonds. After his purchase conditions in the oil industry become demoralized and as a result of financial losses the X Oil Corporation becomes insolvent. Because of the insolvency A suffers a pecuniary loss greater than that which would have resulted from the deterioration of conditions in the industry alone. It is found that if the financial condition of the Corporation had been as represented it would probably have weathered the storm and not become insolvent. B is subject to liability to A for the additional pecuniary loss resulting from the insolvency.

Restatement § 548A cmt. b, illus. 2. Nothing in the Restatement's approach requires a corrective disclo-

sure to precede the insolvency or other losses for the plaintiff to establish proximate cause.

Nor can the Fifth Circuit's application of the corrective-disclosure standard be justified by reliance on the discussion in *Dura* that recognized that not all subsequent price declines will be related to the prior misrepresentations. In *Dura*, the Court observed that such declines could be the result of "changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other events," 544 U.S. at 343, essentially recognizing that intervening causes might, in some cases at least, sever the causal chain. The court of appeals' narrow definition of what constitutes a corrective disclosure led to its conclusion that even disclosures that were alleged to be closely related to the prior misrepresentations – for example, the understated asbestos reserves discussed, *supra*[9] – were, in effect, intervening causes that severed the causal chain. But, again, traditional concepts of proximate causation and intervening causes do not lend themselves to such a narrow approach.

As the Restatement section cited by this Court recognized, even where there are other intervening events *not caused by or related to* the original misstatements, that does not preclude recovery:

> In determining what is foreseeable as a result of the misrepresentation, the possibility of intervening events is not to be excluded altogether. Thus, when the financial condition of a corporation is misrepresented and it is subsequently driven into insolvency by reason of the depressed condition of an entire industry, which has no

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[9] *See also* Pet. Br. 55.

> connection with the facts misrepresented, it may still be found that the misrepresentation was a legal cause of the recipient's loss, since it may appear that if the company had been in sound condition it would have survived the depression, and hence that a loss of this kind might reasonably have been expected to follow.

Restatement § 548A cmt. b; *see also Semerenko*, 223 F.3d at 186 ("It is well established that not every intervening cause is sufficient to break the chain of causation.").[10]

Because the Fifth Circuit failed to apply the traditional proximate-cause standard adopted by *Dura*, it also functionally concluded that subsequent disclosures made by Halliburton were intervening causes that prevented a finding of loss causation without considering, under the appropriate proximate-cause analysis, whether the prior false statements were a substantial cause of the stock decline.

C. A Number Of Other Federal Courts Have Refused To Apply This Unreasonably Narrow Standard For Proving Loss Causation

Both before and after *Dura*, a number of federal courts have considered similar loss-causation issues

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[10] In any event, other circuits hold that, to plead loss causation, a securities-fraud plaintiff need not "plead that all of its loss can be attributed to the false statement of the defendant." *Caremark, Inc. v. Coram Healthcare Corp.*, 113 F.3d 645, 649 (7th Cir. 1997); *see Miller v. Asensio & Co.*, 364 F.3d 223, 232 (4th Cir. 2004) (holding that the PSLRA requirement to prove that a fraud caused damages "does not require a plaintiff to prove that the defendant's fraud was the *sole* cause of the plaintiff's loss"); *Semerenko*, 223 F.3d at 186-87 ("So long as the alleged misrepresentations were a substantial cause of the inflation in the price of a security and in its subsequent decline in value, other contributing forces will not bar recovery.").

and arguments in securities-fraud cases. These courts have concluded that economic loss can be established without proof of a specific corrective disclosure that admitted a prior false statement.

For example, the Tenth Circuit has held that, although "[l]oss causation is easiest to show when a corrective disclosure reveals the fraud to the public and the price subsequently drops," this is not required under *Dura*. *In re Williams Sec. Litig.—WCG Subclass*, 558 F.3d 1130, 1137 (10th Cir. 2009). As the *Williams* court observed, "*Dura* did not suggest that this was the only or even the preferred method of showing loss causation," because "it acknowledged that the relevant truth can 'leak out,' which would argue against a strict rule requiring revelation by a single disclosure." *Id.* (citation omitted).

The Second Circuit likewise has applied, since even before *Dura*, a loss-causation standard that more readily can accommodate the varying circumstances in which fraud occurs. Indeed, the standard within the Second Circuit is much more in line with the "proximate cause" standard that *Dura* endorsed than the narrow one adopted by the court of appeals here. In addition to recognizing cases where a corrective disclosure of fraud or falsity might directly cause a price decline and investor loss, the Second Circuit also recognizes the viability of loss-causation claims in situations where risks previously concealed by a defendant's false statements later materialize and cause share prices to drop.

In *Lentell v. Merrill Lynch & Co.*, 396 F.3d 161 (2d Cir. 2005), the court explained that "[w]e have described loss causation in terms of the tort-law concept of proximate cause, *i.e.*, 'that the damages suffered by plaintiff must be a foreseeable consequence of

any misrepresentation or material omission.'" *Id.* at 172-73 (quoting *Emergent Capital*, 343 F.3d at 197). And "a misstatement or omission is the 'proximate cause' of an investment loss if the risk that caused the loss was within the zone of risk *concealed* by the misrepresentations and omissions alleged by a disappointed investor." *Id.* at 173.[11] This is sometimes referred to as a "materialization of the concealed risk." *Id.*[12]

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[11] *See also Schaaf v. Residential Funding Corp.*, 517 F.3d 544, 550-52 (8th Cir. 2008) (agreeing with *Lentell* that plaintiffs could prevail by proving that a loss "was foreseeable and caused by the materialization of the concealed risk"); *Teachers' Retirement Sys. of Louisiana v. Hunter*, 477 F.3d 162, 187 n.3 (4th Cir. 2007) (acknowledging "that a plaintiff could successfully allege loss causation by pleading that a previously concealed risk materialized, causing the plaintiff's loss"); *Bastian*, 892 F.2d at 685-86 (Posner, J.) (endorsing a loss-causation theory based on materialization of a risk concealed by earlier fraudulent statements).

[12] Although the majority of the circuits that have addressed the issue – including the Second, Fourth, Seventh, Eighth, and Tenth Circuits – have concluded that loss causation can be established even where there is not a corrective disclosure followed by a stock price decline, the law is less clear in the Sixth and Ninth Circuits. *See, e.g., Indiana State Dist. Council of Laborers & Hod Carriers Pension & Welfare Fund v. Omnicare, Inc.*, 583 F.3d 935, 944 (6th Cir. 2009) (holding that plaintiff's allegations did not "explain how the [prior] statements were revealed to be false and thereby caused a drop in the stock price"), *cert. dismissed*, No. 09-1400, 2010 WL 5638596 (U.S. Nov. 5, 2010). *But see Brown v. Earthboard Sports USA, Inc.*, 481 F.3d 901, 920 (6th Cir. 2007) (observing that "[l]oss causation . . . has been likened to proximate cause in tort law" and citing analysis in *Lentell* for risks that had been "concealed"). *Also compare Livid Holdings Ltd. v. Salomon Smith Barney, Inc.*, 416 F.3d 940, 949 (9th Cir. 2005) (holding loss causation was adequately alleged where plaintiff asserted defendants misrepresented the financial situation of the company, which "was

In *Suez Equity Investors, L.P. v. Toronto-Dominion Bank*, 250 F.3d 87 (2d Cir. 2001), the court applied that standard. Investors in a company alleged both that defendant concealed from them the principal executive's lack of managerial ability and that the risk inherent in his lack of abilities materialized when the company subsequently incurred liquidity problems and failed. *See id.* at 93-94. Although there was no "corrective disclosure" or admission that the prior representations were false, the Second Circuit nevertheless concluded that the plaintiffs adequately had alleged loss causation because the company's subsequent collapse and the plaintiffs' resulting damages "were a foreseeable consequence" of the concealed information. *Id.* at 96-98.

One district court in the Second Circuit explained the difference between the "corrective disclosure" and the "materialization of the risk" theories as follows:

> The classic example of a loss-inducing event is a corrective disclosure by the company itself. A corrective disclosure is traditionally an admission by the company that one or more of its previous statements were false or misleading followed by a corrected, truthful and complete version of those statements. The event need not take this form, however. The event could be a credit ratings downgrade or the collapse of the company. For an event to qualify as a materialization of the risk, it need only disclose part of the

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directly related to the actual economic loss it suffered" when the company went bankrupt), *with In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 392 (9th Cir. 2010) ("Loss causation is established if the market learns of a defendant's fraudulent act or practice, the market reacts to the fraudulent act or practice, and a plaintiff suffers a loss as a result of the market's reaction.").

> truth that was previously concealed by the fraud. A ratings downgrade reveals the risk of deteriorating liquidity, and the failure to obtain agency approval may reveal the risk of a non-viable product. Unlike corrective disclosures, these events do not identify specific company statements as false or misleading. But if the company had previously concealed its liquidity condition or the failure of its product by making false or misleading statements, these events may be sufficiently related to the fraud to qualify as materializations of the risk.

In re Vivendi Universal, S.A. Sec. Litig., 634 F. Supp. 2d 352, 363-64 (S.D.N.Y. 2009) (citations and footnote omitted).

In *Vivendi*, the plaintiffs alleged that certain defendants through various false statements had concealed "massive amounts of debt" that posed a risk to the company's liquidity. *Id.* at 354. They also presented evidence that the company's "true liquidity condition" was subsequently revealed in a series of events – including downgrading of its credit ratings and unexpected asset sales. *See id.* at 356-57. Notwithstanding the court's conclusion that none of the subsequent events could be considered "corrective disclosures," it nevertheless held that the plaintiffs had sufficient evidence that those events were the materialization of the previously concealed liquidity problems to create genuine issues of fact for trial. *Id.* at 367-69.

Another instructive case is *In re Parmalat Securities Litigation*, 375 F. Supp. 2d 278 (S.D.N.Y. 2005), which involved a massive fraud and eventual collapse and bankruptcy of the Italian dairy conglomerate, a fraud "that reportedly involved the understatement

of Parmalat's debt by nearly $10 billion and the overstatement of its net assets by $16.4 billion." *Id.* at 282. Following the company's bankruptcy, a class of the company's investors sued the company's accountants for securities fraud. The defendants moved to dismiss, arguing, *inter alia*, that the plaintiffs had not adequately pleaded loss causation because they had not alleged that "a corrective disclosure about [the defendants'] prior misrepresentations caused the company's collapse." *Id.* at 305. But the court rejected the defendants' arguments. First, it observed that "[a]n allegation that a corrective disclosure caused the plaintiff's loss may be sufficient to satisfy the loss causation requirement. It is not, however, necessary." *Id.* (footnote omitted). It then noted that the plaintiffs had alleged that the defendants had misrepresented through their audit reports Parmalat's financial condition, and that "[a]mong the risks concealed by these reports was that Parmalat had massive undisclosed debt and was unable to service it." *Id.* at 306-07. The court concluded that "Defendants reasonably could have foreseen that Parmalat's inability to service its debt would lead to a financial collapse" and that "[t]he concealed risk materialized when Parmalat suffered a liquidity crisis . . . and was unable to pay bonds as they came due." *Id.* at 307. Thereafter, the company's share prices plummeted. Although the underlying fraud was not revealed until a few weeks *after* the shares became worthless,[13] the

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[13] The bankruptcy filing was in late December 2003, and the opinion stated that "the true extent [of] the fraud was not revealed to the public until February – after Parmalat shares were worthless." 375 F. Supp. 2d at 284, 307. Although immediately prior to bankruptcy, and after the stock's trading had been suspended by Italian regulators, the company announced that a bank account it previously had disclosed "did not exist,"

court considered that "immaterial where, as here, the risk allegedly concealed by defendants materialized during that time and arguably caused the decline in shareholder and bondholder value." *Id.*

Finally, *In re Allaire Corp. Securities Litigation*, 224 F. Supp. 2d 319 (D. Mass. 2002), provides another example of a case where real economic loss was proximately caused by a company's false statements, but where the Fifth Circuit's approach would deny recovery. There, the plaintiffs alleged that Allaire, a publicly traded software company, made false statements about one of its software programs, knowingly concealing problems about that program and thereby "paint[ing] a rosy picture for the future" that depended on sales of the product. *Id.* at 323. The plaintiffs alleged that they paid inflated prices for Allaire's stock as a result. Subsequently, the stock price declined after Allaire disclosed poorer-than-expected sales, which the plaintiffs alleged was a result of the faulty product. *Id.* at 338. There was no "corrective disclosure" at the time of the stock price decline admitting that prior statements were false or even revealing the problems with the software. But the court concluded that the plaintiffs adequately had alleged loss causation because the information regarding the product defects "[o]bviously . . . would have impacted sales" and "[t]o suggest otherwise is to insult the Court's intelligence." *Id.* at 339.

As the foregoing examples illustrate, a number of courts before and after *Dura* have refused to apply

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id. at 284, it is clear the court concluded there had been no corrective disclosures leading to the investors' losses. The facts also make clear that, even before trading had been suspended, the "company's stock had lost half its value" when the company could not meet its debt obligations. *Id.*

a loss-causation analysis that is as narrow and inflexible as that articulated by the Fifth Circuit.[14] Instead, they have implemented what *Dura* itself recognized – a "proximate cause" standard that, in the context of securities cases, does not lend itself to one catch-all fact pattern or approach. Indeed, it is apparent that in many of these cases involving real shareholder losses caused by fraudulent conduct, the Fifth Circuit's standard would deny them recovery.

Moreover, the Fifth Circuit's standard also would create perverse incentives for companies that have engaged in securities fraud. If those companies are liable only for declines in stock price that follow a specific type of corrective disclosure, they will have strong incentives to make more obscure disclosures that do not admit the falsity of prior statements or to delay admitting their prior misconduct until after the stock price has declined due to the materialization of the risks they concealed. This, in turn, would thereby allow securities-fraud violators to benefit from further misleading and deceptive conduct while avoiding the types of transparent communications the securities laws generally are designed to promote.

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[14] Furthermore, and as noted above, even other panels in the Fifth Circuit have articulated the loss-causation standard in a far less rigid manner. *See supra* note 5.

II. THE INFLEXIBLE "CORRECTIVE DISCLOSURE" STANDARD ADOPTED BY THE COURT OF APPEALS WOULD PREVENT INVESTORS FROM RECOVERING LEGITIMATE LOSSES PROXIMATELY CAUSED BY CONDUCT PROHIBITED BY THE SECURITIES LAWS

As several cases above recognized, the "corrective disclosure" approach to loss causation may be appropriate in some circumstances. That is, the corrective-disclosure standard might be appropriate in cases that follow a clean pattern involving: (a) a false statement inflating the price of the stock; (b) a subsequent admission or correction of the prior false statement -- for example, a restatement of previous financial results, or a finding of fraud in connection with prior disclosures; and (c) a decline of the stock price shortly after the corrective disclosure.

But as is also clear from the foregoing cases, the corrective-disclosure approach is too rigid to apply in all cases. To the extent the court of appeals intended that this be the only method by which investors can prove loss causation, the Fifth Circuit announced far too rigid a standard. Relying exclusively on a rigid corrective-disclosure standard would preclude recovery in numerous other cases where there can be no doubt that substantial investor losses were proximately caused by securities fraud.

A couple of examples illustrate the point.

Bankruptcy. First, there will be cases where a company fraudulently misrepresents and inflates its financial condition in its financial statements and other disclosures. These inflated figures might conceal the reality that the company is, in fact, insolvent or in a precarious financial condition; and they might

lead investors reasonably to believe the company is a sound investment. By providing this misleading information, the company will have caused investors to pay inflated prices for its stock and also might have caused some investors to purchase stock that they would not have bought at all if the truth were known. In other words, there will be fraud-induced inflation inherent in the stock price. Under *Dura*, this alone would not establish loss causation.

But if the company could maintain the fiction only for so long and subsequently was forced to file for bankruptcy, most if not all of the fraudulent inflation of the stock price quickly would evaporate, and the stock would be left worthless or nearly worthless. Investors obviously would suffer real economic loss as a result. Assume, too, that investors could prove[15] that the prior inflation of the financial statements concealed the risk that later materialized – i.e., that, had the company not issued false statements, it would have been apparent that bankruptcy was likely.

For Scenario A, assume that the company's bankruptcy was not preceded by a "corrective disclosure" revealing that its prior statements were false. Indeed, in filing for bankruptcy, the company could blame changed economic conditions or any other number of factors – none of which would disclose that its financial representations *in the past* had been false. Perhaps only well after the filing of bankruptcy and the decline in the stock price would there

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[15] Although there is an automatic stay upon the filing of a bankruptcy petition, *see* 11 U.S.C. § 362, investors could sue third parties who participated in the fraud (advisors to the company or others), or the bankruptcy trustee might seek to recover from culpable individuals on behalf of the company and its stakeholders.

be an investigation and announcement that there had been fraud affecting prior financial statements, or only later would the company restate those historical results. At the time of these corrective disclosures, however, there might be *no* further decline in the stock price, because the worthless stock could not decrease further. Under the Fifth Circuit's approach, the investors likely could not recover any or a substantial portion of their losses, because they could not show a stock price decline following the "corrective disclosure."

By contrast, under Scenario B, assume that, at the same time it filed for bankruptcy, the company issued a corrective disclosure regarding its prior representations, including a restatement of its financial statements and an admission of fraud in connection with them. Again the stock would decline precipitously, and this time investors likely could recover under the Fifth Circuit's theory of loss causation, because this decline would follow, rather than precede, the corrective disclosure.

The fact that investors could not recover in Scenario A, but could under Scenario B, yields incongruous results, and it demonstrates why the Fifth Circuit's approach is too rigid and narrow. The court's approach would preclude recovery for the investors in Scenario A even though they suffered *the exact same economic loss* as the investors in Scenario B, and even though it could be shown that the loss – the bankruptcy and the sharp decline in stock price – was the result of *the exact same prior misrepresentations*. The only difference would be the timing of the company's corrective disclosure, not the proximate cause of the investors' injury.

This example is not just hypothetical. The *Parmalat* case, discussed earlier, *see supra* pp. 19-21, among many others, is similar to this fact pattern, where there was no corrective disclosure before the company's collapse. Yet, unlike the holding in *Parmalat*, which concluded that the plaintiffs had alleged a viable claim for loss causation, the Fifth Circuit's standard would deny recovery to the investors in *Parmalat* entirely, notwithstanding that the alleged fraud inflated that company's assets and equity by *billions of dollars* and was alleged to have concealed the very risks that led directly to Parmalat's bankruptcy. That result makes no sense as either a legal or an economic matter.

Gradual Declines in Value. Another set of cases may involve situations where the company has falsely reported financial results for some period of time and it takes a while for the market to learn of the actual fraud – as opposed to receiving more innocent-sounding information that, in effect, reduces the fraudulent inflation of the company's stock price.

For example, assume that the company for several quarters inflates its revenue by improperly recording sales that should have been recorded in future periods – effectively "stealing" from the future to make current results look better than they really are. This intentional acceleration of revenue permits the company to continue to meet analysts' expectations and thereby fraudulently inflates the stock price. Again, investors purchase the stock at an inflated price but do not yet have a recoverable loss under *Dura*. Assume, however, that the company cannot continue fraudulently to accelerate its sales numbers forever – perhaps the scheme is becoming too big, and the culpable individuals fear they will be discovered.

But the company obviously does not want to admit to the scheme or to "correct" its previously filed public financial statements. As a result, it decides to "bleed" slowly the fraudulent excess off its financial statements, for example, by writing off false accounts receivables as uncollectible (rather than admitting they were fictional to begin with) or by reducing estimates of future income (rather than admitting that past income was falsely inflated). To avoid suspicion, the company takes these actions over several months or quarters.

All of these actions might be viewed negatively by the market and result in a steady decline in stock price. And all might relate directly to the prior false statements and inflation of revenues, although none would be a corrective disclosure that the company's past disclosures were false. Finally, assume that only *after* the company has successfully "bled" off the fraudulent excess – and after the company's stock price has adjusted down to the true, fraud-free value of the enterprise – is it revealed that there was fraud in connection with prior years' results. But because the market now is correctly valuing the company's stock based on results that are no longer fraudulently inflated, there might be little or no further decline in the stock price as a result of the correction of the historical results.[16] This is because, according to corporate finance theory, a company's stock price reflects the value of its anticipated *future* discounted

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[16] Another way in which the company might prevent a stock decline following a "corrective" disclosure is to couple the bad news with positive developments, such that the bad news is effectively diluted.

cash flows,[17] and the company's previous "leakage" of its losses already would have provided the market with sufficient information with which to judge those cash flows.

Again, the Fifth Circuit's standard would deny recovery in these circumstances, notwithstanding that there are real, reasonably foreseeable economic losses as evidenced by investors' overpayment for fraudulently inflated stock and the subsequent loss in value as the fraud is bled off the books. But because there was no single corrective disclosure or even a series of disclosures preceding the decline in the stock's value, there would be no loss causation.

This hypothetical scenario again is not far from the facts of cases discussed previously, including *Vivendi*, *see supra* pp. 18-19, where the company had fraudulently concealed massive amounts of debt and then subsequent events – like the downgrade in its credit ratings and disposition of its assets – drove down the stock price prior to any correction of historical statements or results.[18]

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[17] *See, e.g., Glassman v. Computervision Corp.*, 90 F.3d 617, 626 (1st Cir. 1996) (holding that a securities "[p]rice can be characterized as a present value calculation of the firm's future streams of earnings or dividends"); *In re VeriFone Sec. Litig.*, 784 F. Supp. 1471, 1479 (N.D. Cal. 1992) ("[S]ecurities prices on the national exchanges reflect . . . the expected future cash flows from the security."), *aff'd*, 11 F.3d 865 (9th Cir. 1993); *see also* Richard A. Brealey & Stewart C. Myers, *Principles of Corporate Finance* 63 (4th ed. 1991) ("Value today always equals future cash flow discounted at the opportunity cost of capital.").

[18] This was also the case in *Danis v. USN Communications, Inc.*, 73 F. Supp. 2d 923 (N.D. Ill. 1999), where the court rejected the defendants' argument that the plaintiff could not prove loss causation when the stock price did not drop upon the company's disclosure of its "true financial state," because it was

Indeed, one of the largest financial frauds in history, Enron, unwound in a similar fashion, where the fraudulently inflated stock price declined over time in reaction to events and information that would not be considered corrective disclosures. In the process, tens of billions of dollars of stakeholder investments evaporated. Enron's stock price peaked at more than $90 per share in August 2000.[19] Throughout the first three quarters of 2001, however, that price declined on various bad news and rumors regarding its operations, including, for example, discussion of "payment issues" involving a power plant in India, layoff rumors involving its broadband business, revelation that the broadband unit was not going to grow as fast as predicted, and other general questions about its ability to sustain its historic growth rate.[20] One particularly large stock price drop came in August 2001, when CEO Jeffery Skilling announced his resignation for "purely personal reasons," resulting in an approximate 7% drop in the stock price in a single day.[21] Skilling was later exposed and indicted as one of

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alleged that "the market responded to and 'corrected' the price of [the] stock over the better part of a year as bits and pieces of negative information became available and it became apparent that [the company] was not capable of performing as originally represented." *Id.* at 943.

[19] *See* Andrew Kelly, *Enron Stock Falls Sharply After CEO's Resignation*, Reuters (Aug. 15, 2001).

[20] *See, e.g.*, C. Bryson Hull, *Enron Stock Off 8 Percent on False Layoff Talk*, Reuters (Mar. 21, 2001); C. Bryson Hull, *Enron Seeks To Assuage Investor Fears of Broadband*, Reuters (Mar. 23, 2001); *Chronicle 100 Leading Companies of Houston*, Hous. Chron., May 20, 2001, at 8; Christian Berthelsen, *Texas Power Firm's Shares Falling*, S.F. Chron., June 22, 2001, at B1.

[21] Mark Golden, *'Personal Reasons'? Top, You're Skilling Me*, Dow Jones Energy Serv. (Aug. 17, 2001).

the chief perpetrators of the Enron fraud.[22] And the fraud he helped to create and perpetuate plainly concealed the risk that eventually materialized – that he would be forced out of the company as it all began to unravel. But his fellow co-conspirator, Kenneth Lay, at the same time continued to perpetuate the fraud and provided assurances that all was well at Enron, characterizing Enron's business as "strong."[23]

From February 1, 2001, to late August of that year, Enron's stock slid from approximately $80 per share to $43, an approximate 46% decline that was estimated to wipe cut some $28 billion in shareholder value.[24] When the company announced in October 2001 that it was taking a charge to earnings and equity of more than $1 billion, the stock was trading at less than $25 per share.[25] Yet there still had been no "corrective disclosure" of the massive accounting fraud at Enron or that prior reported results were false. On October 22, 2001, after tens of billions of investors' dollars already had been lost, Enron announced that the United States Securities and Exchange Commission ("SEC") was conducting an informal inquiry into certain related-party transactions. This was arguably the first "corrective disclosure" that there was potential improper activity,

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[22] *See* Superseding Indictment, *United States v. Skilling, et al.*, Cr. No. H-04-25 (S.D. Tex. filed Feb. 18, 2004).

[23] *See* C. Bryson Hull, *Enron Head Seeks To Reassure Staff at Meeting*, Reuters (Aug. 16, 2001).

[24] *See* James Norman, *Doubts Linger on Enron After CEO's Exit*, Platt's Oilgram News, Aug. 21, 2001, at 1.

[25] *See* Andrew Bary, *Yes, This Year's Punk Earnings Do Matter To Investors*, Dow Jones Int'l News (Oct. 20, 2001); Peter Edmonston, *Stocks Close Higher As Investors Cheer Earnings News*, Dow Jones Bus. News (Oct. 22, 2001).

though even then Enron stated that its actions had been proper.[26] On October 31, 2001, Enron disclosed that the SEC inquiry had become a full-scale investigation.[27] Following further deterioration in the stock, the company finally collapsed and filed for bankruptcy in December 2001.[28]

Even assuming that the late October 2001 announcement of an SEC inquiry would qualify as a "corrective disclosure" after which investors could recover for the remaining decline in stock price, it is clear that the Fifth Circuit's standard would prevent Enron's investors from recovering the vast majority of their losses. The Enron debacle readily reveals why this Court should reject the Fifth Circuit's standard.

III. THE PROXIMATE-CAUSE STANDARD AND PSLRA PLEADING REQUIREMENTS FOR OTHER ELEMENTS OF A FEDERAL SECURITIES-FRAUD VIOLATION ARE SUFFICIENT TO SCREEN FRIVOLOUS CLASS-ACTION SUITS

The Fifth Circuit's rigid approach cannot be justified on policy grounds or based on an argument that a more stringent loss-causation requirement is necessary to screen out unmeritorious suits. In addition to the fact that such policy determinations are for Congress, not the courts, to make, Congress already

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[26] *See Enron Shares Drop on SEC Probe*, CBS MarketWatch (Oct. 22, 2001); Rebecca Smith & John R. Emshwiller, *Enron May Issue More Stock to Cover Obligations*, Wall St. J., Oct. 24, 2001, at A2.

[27] Jeff Franks, *Enron Says SEC Inquiry Now Full-Scale Probe*, Reuters (Nov. 1, 2001).

[28] Elizabeth Lazarowitz, *U.S. Stocks Struggle with Enron, Mid-East Turmoil*, Reuters (Dec. 3, 2001).

has imposed, and this Court already has recognized, other elements of securities-fraud actions that accomplish the screening objective.[29] In *Dura* itself, the Court recognized that the PSLRA requires securities-fraud plaintiffs to "'specify' each misleading statement; that they set forth the facts 'on which [a] belief' that a statement is misleading was 'formed'; and that they 'state with particularity facts giving rise to a strong inference that the defendant acted with the required statement of mind'" – i.e., scienter. 544 U.S. at 345 (quoting 15 U.S.C. § 78u-4(b)(1), (2)) (alteration in original). As this Court also has recognized, the requirement to plead elements like scienter with particularity and in a manner that "giv[es] rise to a strong inference that the defendant acted with the required state of mind" is a requirement with some teeth. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 323-24 (2007). Moreover, at summary judgment, the courts can hold plaintiffs to rigorous standards for proving loss causation in complex cases, requiring expert testimony and detailed analyses of movements in stock prices. *See, e.g.*, *Williams*, 558 F.3d at 1136-43 (analyzing plaintiffs' expert report at length under the materialization-of-the-risk approach and affirming grant of summary judgment on finding of no loss causation).

Although the PSLRA requires a securities-fraud plaintiff to prove that the defendant's fraudulent conduct "caused the loss for which the plaintiff seeks to recover," 15 U.S.C. § 78u-4(b)(4), there is no justification or need for imposing an inflexible and narrow loss-causation standard that is far more

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[29] These elements generally are evaluated at the motion to dismiss and summary judgment stages, not at class certification.

restrictive than the "proximate cause" standard adopted by this Court in *Dura* and applied by various other federal courts.

CONCLUSION

The judgment of the court of appeals should be reversed.

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Colorado Public Employees' Retirement Association

Connecticut Retirement Plans and Trust Funds

Delaware Public Employees' Retirement System

Municipal Employees' Retirement System of Michigan

New York City Employees' Retirement System

New York City Police Pension Fund

New York Fire Department Pension Fund

New York State Common Retirement Fund

North Carolina Retirement Systems

Pennsylvania Public School Employees' Retirement System

Pennsylvania State Employees' Retirement System

Teachers' Retirement System of the City of New York

West Virginia Investment Management Board

State of Wisconsin Investment Board

AMICUS CURIAE BRIEF

No. 09-1403

IN THE

Supreme Court of the United States

ERICA P. JOHN FUND, INC., FKA ARCHDIOCESE OF MILWAUKEE SUPPORTING FUND, INC.,
Petitioner,

v.

HALLIBURTON CO., *et al.*,
Respondents.

On Writ of Certiorari to the United States Court of Appeals For the Fifth Circuit

BRIEF OF WASHINGTON LEGAL FOUNDATION AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

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QUESTIONS PRESENTED

Whether the court of appeals correctly affirmed the district court's denial of class certification where the evidence showed that the alleged misrepresentations had no impact on the company's stock price.

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INTERESTS OF *AMICUS CURIAE*

The Washington Legal Foundation (WLF) is a non-profit public interest law and policy center with supporters in all 50 states.[1] WLF devotes a substantial portion of its resources to defending free-enterprise, individual rights, and a limited and accountable government.

To that end, WLF has appeared before this and other federal courts in numerous cases raising issues related to the proper scope of the federal securities laws. *See, e.g., Matrixx Initiatives, Inc. v. Siracusano*, ___ U.S. ___, 2011 U.S. LEXIS 2416 (Mar. 22, 2011), *Morrison v. Nat'l Australia Bank Ltd.*, 130 S. Ct. 2869 (2010); *Stoneridge Inv. Partners, LLC v. Scientific Atlanta, Inc.*, 532 U.S. 148 (2008); *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336 (2005). WLF has also participated extensively in litigation in support of its view that federal courts should not certify cases as class actions unless the plaintiffs can demonstrate that they have satisfied each of the requirements of Rule 23 of the Federal Rules of Civil Procedure. *See, e.g., Wal-Mart Stores, Inc. v. Dukes, cert. granted*, 131 S. Ct. 795 (2010).

WLF agrees with Respondent that the evidence before the district court demonstrated that the alleged misrepresentations had no impact on Halliburton's stock price and thus that Petitioners failed to demonstrate that they met Rule 23(b)(3)'s

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[1] Pursuant to Supreme Court Rule 37.6, WLF state that no counsel for a party authored this brief in whole or in part; and that no person or entity, other than WLF and its counsel, made a monetary contribution intended to fund the preparation and submission of this brief. All parties have consented to this filing; letters of consent have been lodged with the Court.

predominance requirement. WLF writes separately because it takes particular issue with the assertion of Petitioners and the United States that Respondents are not permitted, at the class certification stage, even to attempt to rebut the presumption of reliance created by the fraud-on-the-market theory. That assertion is directly contrary to *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988), which explicitly authorized defendants to attempt to defeat class certification by introducing evidence that the market did not, in fact, rely on the alleged misrepresentations. *Basic* has been settled law for more than two decades; WLF believes that if Petitioners and the United States seek to overturn *Basic*, they should take their case to Congress. WLF also believes that any such change would be inappropriate because it would substantially reduce the ability of class action defendants to resist class certification and thereby increase the already enormous pressure they face to settle the suits without regard to the underlying merits.

STATEMENT OF THE CASE

Petitioners purport to represent a class consisting of purchasers of Halliburton Co. common stock during a 2 1/2-year period (June 1999 to December 2001). They allege that Respondents (collectively, "Halliburton") violated federal securities laws by making material misrepresentations regarding the company's financial condition, and that they suffered losses after the company's true financial condition was revealed.

Five years after suit was filed, and after extensive discovery, the district court denied Petitioners' motion

to certify the class. Pet. App. 3a-55a. The parties agreed that Halliburton stock traded in an "efficient market." *Id.* at 5a. However, after considering substantial expert testimony from both Petitioners and Halliburton, the court concluded that Petitioners were not entitled to a presumption of reliance because they had failed to demonstrate that the alleged misrepresentations had an effect on Halliburton's stock price. *Id.* at 3a-55a. In the absence of such a presumption, reliance would need to be demonstrated on a individual basis, and thus Petitioners could not meet their evidentiary burden under Fed.R.Civ.P. 23(b)(3), which requires a party seeking class certification to demonstrate that "the questions of law or fact common to class members predominate over any questions affecting only individual members.

The Fifth Circuit affirmed. Pet. App. 111a-136a. The court held that a plaintiff may create a "rebuttable presumption of reliance" under the fraud-on-the-market theory by showing that: (1) the defendant made public *material* misrepresentations; (2) the defendants shares were traded in an efficient market; and (3) the plaintiff traded shares between the time the misrepresentations were made and the time the truth was revealed. *Id.* at 114a. It further held that a defendant resisting certification may seek to rebut the presumption "by any showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at fair market price." *Id.* at 114a-115a.

Because Halliburton introduced evidence designed to sever the link between the alleged

misrepresentation and the price paid by Petitioners for their stock, the appeals court examined that issue. It explained that the requisite causal connection could be established in one of two ways: (1) an increase in stock price immediately following release of the alleged misrepresentations; or (2) a decrease in stock price following disclosure of the alleged "truth" regarding the earlier falsehood. *Id.* at 116a. Petitioners sought to demonstrate the link by employing the second option. The appeals court concluded, however, that the evidence presented to the district court failed to demonstrate such a link. *Id.* at 123a-136a. Accordingly, the court concluded that a presumption of reliance was inappropriate, and it affirmed the district court's denial of class certification. *Id.*

SUMMARY OF ARGUMENT

A party seeking certification of a class action must demonstrate by a preponderance of the evidence that he has met all the requirements of Fed.R.Civ.P. 23. In a Rule 23(b)(3) class action such as this one, those requirements include a showing that common issues of law or fact "predominate" over questions affecting only individual class members. But because plaintiffs in a securities fraud lawsuit must establish that they relied on the defendant's misrepresentation, the predominance requirement can never be met if the plaintiffs must prove reliance on a plaintiff-by-plaintiff basis – because under those circumstances, individual issues of fact would overwhelm common issues. Thus, a securities fraud lawsuit will never be an appropriate candidate for class action treatment unless the plaintiffs can demonstrate an entitlement to a presumption of

reliance under the fraud-on-the-market theory. In sum, whether a presumption of reliance is appropriate is a pivotal Rule 23 issue; certification of a class in a securities fraud lawsuit will never be warranted in the absence of that presumption.

This Court has directed district courts, when deciding whether to certify a class, to undertake a "rigorous analysis" of whether the moving party has met *all* the requirements of Rule 23, and to do so regardless whether that analysis entails an examination of issues that relate to the merits of the plaintiff's lawsuit. Accordingly, when Halliburton proffered evidence designed to demonstrate that a presumption of reliance (and thus, class certification) was inappropriate, both the district court and the Fifth Circuit appropriately undertook a "rigorous analysis" of that evidence.

In seeking reversal, Petitioners make two principal assertions. First, they assert that some of the issues addressed by the lower courts are not appropriately considered in determining whether the defendant has successfully rebutted the presumption of reliance. Second, Petitioners assert that any rebuttal should be delayed until summary judgment or trial and is not appropriately considered in connection with a motion for class certification. Both assertions directly conflict with *Basic* as well as with the great majority of courts of appeals that have considered the issue.

Petitioners claim that *Basic* authorized courts to apply a rebuttable presumption of class-wide reliance based on the plaintiff's showing that "defendants made

public misrepresentations, the company's stock traded in an efficient market, and plaintiffs traded shares after the misrepresentation and before the truth was revealed." Pet. Br. 27. That claim is inaccurate; *Basic* stated that the plaintiff must *also* show that the misrepresentation was "material." *Basic*, 485 U.S. at 241-42, 246-48 & n.27. One of the best ways for a defendant to demonstrate that an alleged misrepresentation was not "material" is, of course, to demonstrate that it had no impact on the company's stock price. After considering the extensive evidence submitted by both sides regarding stock-price impact, the lower courts determined that there was no such impact here – and thus properly concluded that Petitioners were not entitled to a presumption of reliance.

Petitioners' argument that a defendant's rebuttal evidence should not be heard at the class certification stage is similarly unavailing. "Materiality" is, of course, a merits issue that will be determined at trial and that is capable of being decided on a class-wide basis. But as *Basic* makes clear, materiality is also an essential element of the showing that must be made before a plaintiff is entitled to a presumption of reliance. Simply because an issue is merits-based and/or is capable of being decided on a class-wide basis is not a reason to excuse a plaintiff seeking Rule 23(b)(3) class certification from demonstrating class-wide reliance – and thereby demonstrating compliance with Rule 23(b)(3)'s predominance requirement.

Petitioners seek to portray the Fifth Circuit as an outlier among the federal appeals courts. To the

contrary, the two principal features of the Fifth Circuit's class-certification jurisprudence – permitting defendants to present rebuttal evidence at the certification stage and focusing on whether the alleged misrepresentation actually had an impact on stock price – place the Fifth Circuit well within the mainstream among federal appeals courts. Indeed, the Third Circuit issued an opinion just this week making clear that it stands firmly with the Fifth Circuit on those two issues. *In re: DVI, Inc. Securities Litigation*, ___ F.3d ___, 2011 U.S. App. LEXIS 6302 (3d Cir., Mar. 29, 2011). Only the Seventh Circuit disagrees with the Fifth Circuit on these issues; it stands as the real outlier. *See Schleicher v. Wendt*, 618 F.3d 679 (7th Cir. 2010).

The Fifth Circuit diverges somewhat from other circuits regarding the strength of the presumption created by *Basic* and what the defendant must do to overcome that presumption. The Fifth Circuit has concluded that the presumption disappears the moment the defendant makes "any showing" that severs the link between the misrepresentation and the plaintiffs' loss, and that the defendant need not go on to carry the ultimate burden of persuasion regarding the existence or non-existence of the link. *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007). Some other appeals courts have concluded that *Basic* created a stronger presumption and have required defendants to make a correspondingly greater showing in order to defeat the presumption of reliance. But the Court's resolution of that issue should not affect the ultimate disposition of this case because the denial of class certification in this case was based on the lower courts' determination –

after reviewing extensive evidence submitted by both sides – that Halliburton's alleged misrepresentations did not affect the price of Halliburton's stock. In other words, the outcome would have been the same even if the lower courts had imposed a greater evidentiary burden on Halliburton.

ARGUMENT

I. IN ASSESSING PREDOMINANCE, THE DISTRICT COURT PROPERLY CONSIDERED HALLIBURTON'S EVIDENCE THAT ALLEGED MISREPRESENTATIONS HAD NO IMPACT ON ITS STOCK PRICE

A. *Basic* Established "Materiality" as a Prerequisite for Recognition of a Presumption of Class-Wide Reliance

Petitioner mistakenly asserts that *Basic* "adopted" the fraud-on-the-market theory. Pet. Br. 4. To the contrary, the Court explicitly declined to "assess the general validity of the theory." *Basic*, 485 U.S. 242.[2] Rather, the Court concluded that the theory supported application of a "rebuttable presumption of reliance"

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[2] The Court explained the theory as follows: "The fraud on the market theory is based on the hypothesis that, in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business. . . . Misleading statements will therefore defraud purchasers of stock even if the purchasers do not rely on the misstatements." *Id.* at 241-42 (quoting *Peil v. Speiser*, 806 F.2d 1154, 1160-61 (3d Cir. 1986)).

when a plaintiff makes the requisite showings, *id.*, and thus that "[i]t is not inappropriate" for a district court to apply the presumption, subject to rebuttal. *Id.* at 250.

In Footnote 27, the Court approvingly cited the items the appeals court had required a plaintiff to prove in order to invoke the presumption of reliance:

> The Court of Appeals held that in order to invoke the presumption, a plaintiff must allege and prove: (1) that the defendant made public misrepresentations; (2) that the misrepresentations were *material*; (3) that the shares were traded on an efficient market; (4) that the misrepresentation would induce a reasonable, relying investor to misjudge the value of the shares; and (5) that the plaintiff traded the shares between the time misrepresentations were made and the time the truth was revealed. See 786 F.2d, at 750.
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> Given today's decision regarding the definition of materiality as to preliminary merger discussions, elements (2) and (4) may collapse into one.

Id. at 248 n.27 (emphasis added).[3] The second paragraph of Footnote 27 indicates that the Court

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[3] As the second paragraph in Footnote 29 indicates, the *Basic* decision addressed two separate issues: (1) whether the defendant was entitled to summary judgment on the ground that information regarding potential mergers should not be deemed material; and (2) whether the plaintiff was entitled to class certification based on a presumption of market-wide reliance.

approved of the appeals court's prerequisites for invoking the presumption of reliance. The statement that "elements (2) and (4) may collapse into one" suggests that information regarding "preliminary merger discussions" should be deemed "material" if it would induce "reasonable, relying investors to misjudge the value of the shares." But Footnote 27 makes reasonably clear that the Court deemed materiality of the misrepresentation to be an essential element of any effort to invoke the presumption of reliance.

That interpretation of Footnote 27 is strongly reinforced by repeated references to "materiality" throughout the Court's opinion. For example, in defining the fraud-on-the-market theory, the Court explained that the theory "is based on the hypothesis that, in an open and developed market, the price of a company's stock is determined by the available *material* information regarding the company and its business." *Id.* at 241. In other words, information that is not material will have no effect on stock price. The Court also stated:

> The presumption [of reliance] is also supported by common sense and probability. Recent empirical studies have tended to confirm Congress' premise that the market price of shares traded on well-developed markets reflects all publicly available information, and, hence, any *material* misinformation.

Id. at 246. The clear implication of the quoted language is that the Court deemed materiality an essential element of any effort to invoke the presumption of

reliance. The presumption is not appropriate in cases in which misinformation is not material because such misinformation can have no effect on market price.

Other federal appeals courts have interpreted *Basic* as precluding a presumption of reliance when the alleged misrepresentation is determined to be immaterial. The Third Circuit recently stated that evidence that the defendant's "statements were immaterial [is] a distinct basis for rebuttal." *In re: DVI*, 2011 U.S. App. LEXIS at *36. The Second Circuit interprets *Basic* as imposing on plaintiffs the burden of demonstrating that the alleged misrepresentation is "material," and "a prima facie showing will not suffice to meet that burden." *In re: Salomon Analyst Metromedia Litigation*, 544 F.3d 474, 481 (2d Cir. 2008). If that burden is met, the Second Circuit permits the defendant to rebut the presumption of reliance by "show[ing] that the allegedly false statements did *not* measurably impact the market price of the security." *Id.* at 486 n.9.

The Seventh Circuit is the outlier; it is the only federal appeals court that has rejected the relevance of materiality to the presumption of reliance. *Schleicher*, 618 F.3d at 687 (criticizing *Salomon Analyst* and *In re PolyMedica Corp. Securities Litigation*, 432 F.3d 1, 8 n.11 (1st Cir. 2005), for imposing "materiality as a condition to class certification"). The Seventh Circuit interpreted Footnote 27 in *Basic* as merely stating that the appeals court had deemed materiality essential, not that the Court itself reached the same conclusion. *Id.* That interpretation fails to explain *Basic*'s other references to materiality (cited above). The Seventh

Circuit also argued that by the Second Circuit's logic, proof that the defendant's statements were false must also be a condition of class certification (because the existence of a "misrepresentation" is also an element listed in Footnote 27), yet no court has ever so held. *Id.* But that effort to draw a parallel between materiality and falsity makes little sense; the former bears a close relationship with reliance, the latter does not. Material statements are by definition ones on which reasonable people are likely to rely. In contrast, the likelihood that reasonable people will rely on a statement is poorly correlated with whether the statement is true or false. Reasonable people will rely on a material and seemingly authoritative statement, regardless whether the statement is true or false. Accordingly, the most reasonable interpretation of *Basic* is that entitlement to a presumption of reliance requires the plaintiff, as part of class certification, to show materiality but not falsity.

B. The Right of Rebuttal Endorsed by *Basic* Is Quite Broad and Encompasses the Proceedings in the Courts Below

While endorsing adoption of a rebuttable presumption of reliance in appropriate cases, *Basic* made clear that defendants are entitled to attempt to rebut that presumption and thereby demonstrate the absence of predominance. The Court said:

> Any showing that severs the link between the alleged misrepresentation and either the price received (or paid) by the plaintiff, or his decision to trade at a fair price, will be sufficient to rebut

> the presumption of reliance. For example, if [the defendant] could show that the "market makers" were privy to the truth about the merger discussions . . ., and thus that the market price would not have been affected by their misrepresentation, the causal connection could be broken; the basis for finding that the fraud had been transmitted though market price would be gone.

Basic, 485 U.S. at 248.

The Court's "any showing" language indicates that the Court contemplated that defendants be provided a broad range of options in seeking to rebut the presumption of reliance. A demonstration that the alleged misrepresentation was not material falls comfortably within the "any showing" language. Proof that a misrepresentation was not material severs the link between the misrepresentation and the price paid for stock, because common sense suggests that a non-material misrepresentation will have no effect on the price the market as a whole is willing to pay for a company's stock.

One of the best ways for a defendant to demonstrate that an alleged misrepresentation was not "material" is, of course, to demonstrate that it had no impact on the company's stock price. *See Salomon Analyst*, 544 F.3d at 484 (defendants may rebut presumption of reliance "by showing, for example, the absence of a price impact"). As the Third Circuit explained, "Evidence an allegedly corrective disclosure did not affect the market price undermines the fraud-

on-the-market presumption of reliance for several reasons. . . . Even if a plaintiff could establish the market was efficient notwithstanding a lack of market impact, under our precedents the lack of market impact may indicate the misstatements were immaterial – a distinct basis for rebuttal." *In re: DVI*, 2011 U.S. App. LEXIS 6302, at *35-*36.

Demonstrating that the alleged misrepresentations had no effect on stock price is precisely what Halliburton did in the district court. It introduced significant evidence that neither the alleged misrepresentations nor the subsequent "corrective" statements caused movement in Halliburton's stock price.[4] The district court's finding of fact that it was more likely than not that the alleged misrepresented had not moved the market price (either when made or at the time of the corrective disclosure) was well supported by the evidence.

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[4] As Respondents demonstrate, the courts below did not require Petitioners to demonstrate "loss causation" as a prerequisite to class certification. Resp. Br. 17-19. Indeed, the Fifth Circuit stated explicitly that Plaintiffs could meet their evidentiary burden by showing *either* that the alleged misrepresentation resulted in an inflated stock purchase *or* that the stock price dropped following disclosure of corrective information. Pet. App. 116a.

II. THE DISTRICT COURT PROPERLY GRANTED HALLIBURTON AN OPPORTUNITY FOR REBUTTAL AT THE CLASS CERTIFICATION STAGE

A. Certification of a Class Is Improper Unless the Movant Demonstrates By a Preponderance of the Evidence That He Has Met All the Requirements of Rule 23, Including Predominance

Petitioners assert the right to sue Halliburton not only on their own behalf but also as a representative of the thousands of others who purchased Halliburton stock during a 2 1/2-year period beginning in June 1999. Fed.R.Civ.P. 23 imposes numerous requirements on those seeking to maintain such a representative action, including the prerequisites of Rule 23(a) (numerosity, commonality, typicality, and fair/adequate representation) as well as (under the circumstances of this case) a judicial finding "that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed.R.Civ.P. 23(b)(3).

The Court has held that "any" class action "may only be certified if the trial court is satisfied, after a rigorous analysis, that the prerequisites of Rule 23(a) have been satisfied." *General Tel. Co. Southwest v. Falcon,* 457 U.S. 147, 161 (1982). Although the language from *Falcon* refers specifically to Rule 23(a),

federal appeals courts have generally understood the Court's "rigorous analysis" directive to apply to all of the requirements imposed by Rule 23. *See, e.g., In re: Initial Public Offering Securities Litigation* ["*In re: IPO*"], 471 F.3d 24, 33 n.3 (2d Cir. 2006) ("We see no reason to doubt that what the Supreme Court said about Rule 23(a) requirements applies with equal force to all Rule 23 requirements, including those set forth in Rule 23(b)(3)."). *See also, id.* at 40 (prohibiting certification of a class unless the district court explicitly finds that each Rule 23 requirement has been met, and overturning a prior Second Circuit standard under which it was sufficient to make "some showing" with respect to each requirement); *Szabo v. Bridgeport Machines, Inc.*, 249 F.3d 672, 676 (7th Cir. 2001) ("Before deciding whether to allow a case to proceed as a class action, . . . a judge should make whatever factual and legal inquiries are necessary under Rule 23."); *Gariety v. Grant Thornton, LLP*, 368 F.3d 356, 367 (4th Cir. 2004) (reversing class certification order because district court failed to undertake "a rigorous analysis" of each Rule 23 requirement).

Of particular relevance to this case is the Rule 23(b)(3) "predominance" requirement. To prevail in a securities fraud action, a plaintiff must demonstrate, among other things, that he *relied* on the defendant's misrepresentation. *Dura Pharms.*, 544 U.S. at 341-42. Thus, to meet Rule 23(b)(3)'s predominance requirement, a plaintiff needs to demonstrate that reliance can be established on a class-wide basis, because if reliance can only be established on a plaintiff-by-plaintiff basis, questions of law or fact common to class members could never be deemed to "predominate"

over questions affecting only individual members. *See Basic*, 485 U.S. at 242 ("Requiring proof of individualized reliance from each member of the proposed plaintiff class effectively would have prevented respondents from proceeding with a class action, since individual issues then would have overwhelmed the common ones."). In sum, whether Petitioners are entitled to a presumption of reliance is very much a Rule 23(b)(3) class certification issue, because Petitioners cannot meet the "predominance" requirement (and thus are not entitled to certification) unless they are afforded that presumption.

B. That Reliance and Materiality Are Also Merits Issues Does Not Diminish the Importance of Examining Those Issue Closely in Connection with a Determination of Whether Petitioners Can Show Predominance

As noted above, reliance and materiality also "merits" issues: Petitioners cannot prevail on its securities fraud claim unless they can establish that they purchased Halliburton securities at an inflated price in reliance on Halliburton's material misrepresentations. Petitioners assert that that delving into those issues at the class certification stage is premature, violates Rule 23, and deprives them of the opportunity for full discovery prior to a decision on merits-based issues. Pet. Br. 46-56.

Those assertions are not well taken. While the Supreme Court has cautioned against weighing the strength of the merits of a plaintiff's claims as a basis

for granting or denying class certification, it has stated unequivocally that a district court should not shy away from considering evidence that goes to the merits in determining whether the plaintiff has met each of the Rule 23 requirements. *Falcon*, 457 U.S. at 160 ("the class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action"). The Court has explained that:

> Evaluation of many of the questions entering into determination of class action questions is intimately involved with the merits of the claims. The typicality of the representative's claims or defenses, the adequacy of the representative, and the presence of common questions of law or fact are obvious examples. The more complex determinations required in Rule 23(b)(3) class actions entail even greater entanglement with the merits.

Coopers & Lybrand v. Livesay, 437 U.S. 463, 469 n.12 (1978) (emphasis added) (quoting 15 C. Wright, A. Miller & E. Cooper, *Federal Practice and Procedure*, § 3911 n.45 (1976)).

Petitioners' discovery complaints ring hollow. They did not seek class certification for nearly five years following the filing of the complaint; if they believed that that was an inadequate period of time to complete all discovery relevant to class certification, they should have delayed filing their certification motion until that discovery could be completed. Moreover, the decision denying class certification does not prevent Petitioners

from proceeding forward on the merits; nothing prevents them, before trial, from undertaking whatever discovery they deem necessary to establish loss causation or any other merits-based issue. In any event, Petitioners' discovery complaints are newly minted; they failed to raise them in the lower courts in connection with the class certification motion and should not be permitted to do so now for the first time.

While conceding that *Basic* envisions permitting a defendant to rebut the presumption of reliance, the United States asserts that:

> [T]he *Basic* Court's analysis reflects an expectation that any rebuttal will occur at summary judgment or at trial, not at the outset of the case. A defendant who rebuts the presumption of reliance defeats the plaintiffs' claims on the merits by preventing him from establishing an essential element of his cause of action. So long as the evidence by which the defendant seeks to rebut the presumption is likely to be common to class members generally, the possibility of a successful rebuttal does not render the case unsuitable for class treatment.

U.S. Br. 7.

The United States cites no case law in support of its assertion, which makes little sense. It may sometimes be true that a defendant who rebuts the presumption of reliance "defeats the plaintiffs' claims on the merits." But if, as the United States would surely concede, such a rebuttal also defeats a claim for

class certification by demonstrating the absence of the predominance required by Rule 23(b)(3), what possible grounds would there be for allowing class certification to proceed? It is illogical to suggest that a court should make it easier for a plaintiff to win certification in those situations in which the plaintiff may have evidence demonstrating that the entire securities fraud claim is meritless.

Moreover, it will not necessarily be the case that an individual plaintiff cannot proceed to trial in the face of findings that the market was not defrauded and that the presumption of reliance is unwarranted. For example, the potential tort litigation liabilities of companies such as Halliburton are often highly uncertain. Even if the company makes statements that could be interpreted by some as downplaying to an unwarranted degree the potential for large jury verdicts, major market players are unlikely to be misled – they know full well the uncertain nature of litigation and thus are likely to bid the price of the company's down to a level that fully factors in the potential for adverse jury verdicts. Under those circumstances, the market cannot be said to have been defrauded, and the presumption of reliance is unwarranted. But some individual investors may have actually relied on the company's statements and purchased the company's stock at a price they would have been unwilling to pay had they fully appreciated the risks of litigation. Such individuals could establish individual reliance and proceed with their individual claims even without the benefit of the presumption of reliance.

Basic established a defendant's right to rebut the

presumption of reliance without providing any indication that exercise of that right would have to be deferred to summary judgment or trial. The Court summarized its findings in *Basic* as follows: (1) "it is not inappropriate to apply a presumption of reliance supported by the fraud-on-the-market theory"; (2) that presumption is "rebuttable"; and (3) the district court's initial certification of the class "was appropriate when made but is subject on remand to such adjustment, if any, as developing circumstances demand." *Id.* at 250. Nothing in the Court's summation of its holdings indicated a belief that a defendant's efforts to rebut the presumption of reliance are premature at the class certification stage.

Petitioners nonetheless pointed to *Basic*'s Footnote 29 for the proposition that once a plaintiff establishes that a security trades in an efficient market, a defendant's effort to rebut the presumption of reliance should be delayed until trial, or until the summary judgment stage at the earliest. Pet. Br. 35. That interpretation of Footnote 29 is untenable; Petitioners read far more into the footnote than the Supreme Court could possibly have intended.

Footnote 29 follows the Court's lengthy explanation of numerous methods by which a defendant might rebut the presumption of reliance. It states, in substantial part:

> We note there may be a certain incongruity between the assumption that Basic shares are traded on a well-developed, efficient, and information-hungry market, and the allegation

> that such a market could remain misinformed, and its valuation of Basic shares depressed, for 14 months, on the basis of three public statements. Proof of that sort is a matter for trial, throughout which the District Court retains the authority to amend the certification order as may be appropriate.

Basic, 485 U.S. at 249 n.29.

Petitioners apparently interpret the phrase "proof of that sort" as encompassing *any* effort by a defendant to rebut the presumption of reliance. Order at 19. But it is highly unlikely that the Court intended the phrase to sweep that broadly. Rather, it is much more likely that "proof of that sort" was intended to refer only to proof of the sort described in the first sentence of Footnote 29 – that is, a defendant's proof that *any* "well-developed, efficient, and information-hungry market" is highly unlikely to remain misinformed (and thus overvalued or undervalued) for an extended period of time based on a handful of misleading statements. Had the Court really intended the phrase "proof of that sort" to encompass the types of rebuttal evidence described at length in the main text, it is far more likely that the Court would have included the phrase in the main text instead of relegating it to a footnote.[5]

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[5] Courts have been acutely aware of the need to impose some limits on the quantity of evidence that can be introduced at a class certification hearing, in order to avoid mini-trials that consume too much of the courts' resources. *See, e.g., Salomon*, 544 F.3d at 486. The Court may have deemed the type of rebuttal evidence described in the first sentence of Footnote 29 to be too

Moreover, the Court's statement that "proof of that sort is a matter for trial" may simply have been an acknowledgment that the case before it was well-advanced (*e.g.*, discovery had been completed) and that the most sensible time for that particular defendant to offer rebuttal evidence would be at the impending trial.

Most importantly, Petitioners' reading of Footnote 29 is inconsistent with the remainder of the Court's opinion, which repeatedly emphasized that a class certification order was subject to revision at all times prior to final judgment. For example, the Court stated that class certification was subject on remand to adjustments "as developing circumstances demand." *Id.* at 250. The quoted phrase indicates that the Court contemplated that defendants should *not* be required to wait for trial before attempting to rebut the presumption of reliance.

The Third Circuit this week concluded that defendants should be permitted to challenge class certification by attempting to rebut the presumption of reliance: "We believe rebuttal of the presumption of reliance falls within the ambit of issues that, if relevant, should be addressed by district courts *at the class certification stage*. The District Court did not err in evaluating Deloitte's rebuttal arguments." *In re: DVI*, 2011 U.S. App. LEXIS 6302, at *36 (emphasis added). The appeals court rejected the plaintiffs' argument that Footnote 29 of *Basic* precluded raising rebuttal arguments at the certification stage:

This footnote appears to have responded to the

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extensive to be feasibly included in a class certification hearing.

> dissent in *Basic* and was not essential to *Basic*'s holding. *See* [485 U.S.] at 259-63 (White, J., concurring in part and dissenting in part) (discussing the factual peculiarities of the trades in issue). Taken literally, note 29 may even appear to preclude a court from evaluating evidence presented by a defendant at class certification to demonstrate the market is inefficient. But this widespread practice is permitted even in circuits that do not allow the examination of rebuttal evidence at the class certification stage. *See, e.g., Polymedica*, 432 F.3d at 17-19.

Id. at *35. The Second Circuit has similarly interpreted *Basic* as permitting defendants to rebut the presumption of reliance "prior to class certification, by showing, for example, the absence of price impact." *Salomon Analyst*, 544 F.3d at 484.

The Fifth Circuit diverges somewhat from other circuits regarding the strength of the presumption created by *Basic* and what the defendant must do to overcome that presumption. The Fifth Circuit has concluded that the presumption disappears the moment the defendant makes "any showing" that severs the link between the misrepresentation and the plaintiffs' loss, and that the defendant need not go on to carry the ultimate burden of persuasion regarding the existence or non-existence of the link. *Oscar Private Equity Investments v. Allegiance Telecom, Inc.*, 487 F.3d 261, 265 (5th Cir. 2007). Some other appeals courts have concluded that *Basic* created a stronger presumption and have required defendants to make a

correspondingly greater showing in order to defeat the presumption of reliance.

WLF takes no position regarding which circuit more accurately characterizes the strength of the presumption the Court intended to create in *Basic*.[6] But this relatively minor disagreement between the Fifth Circuit and other circuits should not be allowed to obscure the close similarity of the Fifth Circuit's approach to the approach of most other circuits. Rejecting the Fifth Circuit's entire approach to securities law class certification issues – which is what Petitioners and the United States are asking the Court to do – would entail rejecting the substantially similar approaches adopted by most other circuits.

More importantly, the Court's resolution of the Rule 301 issue should not affect the ultimate disposition of this case because the denial of class certification was

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[6] WLF notes, however, that in discussing the presumption, *Basic* makes reference to Rule 301 of the Federal Rules of Evidence. *Basic*, 485 U.S. at 245. Rule 301 describes a weak form of presumption – one that shifts to the opposing party the burden of coming forward with evidence, not the burden of persuasion. *See, e.g., St. Mary's Honor Center v. Hicks*, 509 U.S. 502 (1993) (when a Title VII discriminatory treatment plaintiff establishes a prima facie case of racial discrimination, the presumption thereby created is governed by FRE 301, and only the burden of coming forward with evidence – not the burden of proof – shifts to the defendant). Were Rule 301 to apply to the presumption of reliance, the presumption would (per the Fifth Circuit's *Oscar* decision) disappear the moment a securities class action defendant filed *any* evidence designed to demonstrate a severance of the link between the alleged misrepresentation and the price paid by purchasers of Halliburton stock.

based on the lower courts' determination – after reviewing extensive evidence submitted by both sides – that Halliburton's alleged misrepresentations did not affect the price of Halliburton's stock. In other words, the outcome would have been the same even if the lower courts had imposed a greater evidentiary burden on Halliburton.

III. BECAUSE CLASS CERTIFICATION DECISIONS ARE SO OFTEN OUTCOME-DETERMINATIVE, THE COURT SHOULD BE PARTICULARLY VIGILANT IN ENFORCING STRICT ADHERENCE TO RULE 23

Empirical research demonstrates the crucial role that class certification decisions play in the outcome of high-stakes class action lawsuits. Litigation costs make it very difficult for the party that loses the class certification decision to continue with the litigation – with the result that erroneous certification decisions are often effectively unreviewable. In light of that concern, WLF respectfully urges the Court to use this case to adopt clear rules that will encourage district judges to grant class certification motions only after they have determined that all the requirements of Rule 23 have been satisfied.

As numerous courts have recognized, companies that face a large certified class and hence enormous potential damages are "under intense pressure to settle." *In re Rhone-Poulenc Rorer, Inc.*, 51 F.3d 1293, 1298 (7th Cir.) (Posner, C.J.), *cert. denied*, 516 U.S. 867 (1995). If they do not want to "roll the dice," they

settle, such that "the class certification – the ruling that will have forced them to settle – will never be reviewed." *Id.* Such settlements can in many instances legitimately be deemed "blackmail settlements." H. Friendly, *Federal Jurisdiction: A General View* 120 (1973); *see also Castano v. American Tobacco Co.*, 84 F.3d 734, 746 (5th Cir. 1996) (pressure emanating from certification of big classes amount to "judicial blackmail," creating "insurmountable pressure on defendants to settle"; "the risk of facing an all-or-nothing verdict presents too high a risk, even when the probability of an adverse judgment is low").

Securities fraud class action litigation presents particular problems for defendants because they are especially prone to asymmetrical discovery costs: though they possess few relevant documents subject to discovery, plaintiffs can routinely demand that millions of pages of documents be produced by the defendants. J. Alexander, *Do the Merits Matter? A Study of Settlements in Securities Class Actions*, 43 STAN. L. REV. 497, 548-49, 571 (Feb. 1991). Moreover, because securities fraud cases often require the attention and participation of senior corporate executives, defendants in such actions can face costly and debilitating disruptions of their business activities. R. Bone & D. Evans, *Class Certification and the Substantive Merits*, 51 DUKE L.J. 1251, 1299 (Feb. 2002). The costs of a certified class action become prohibitive long before a summary judgment motion can be prepared. Alexander, 43 STAN. L. REV. at 585-87 (case study); D. Towns, *Merit Based Class Certification*, 78 VA. L. REV. 1001, 1031 (1992). One study concluded that, driven largely by litigation costs, "the vast majority of certified class

actions settle, most soon after certification." Bone & Evans, 51 DUKE L. J. at 1291.

The tendency of securities fraud class actions to settle without any relation to the underlying merits of the suits undermines the aims of the federal securities laws. The federal securities fraud statutes aim to deter securities fraud or manipulation, and "to achieve a high standard of business ethics in the securities industry." *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128, 151 (1972). But economists doubt that those laws can achieve their purpose given the consensus view that there is little correlation between being named in a securities fraud lawsuit and the incidence of fraud. *See, e.g.*, M. Johnson, *et al.*, In re Silicon Graphics Inc.: *Shareholders Wealth Effects Resulting from the Interpretation of the Private Securities Litigation Reform Act's Pleading Standard*, 73 S. CAL. L. REV. 773, 782 (May 2000).

In their zeal to promote a plaintiff-friendly outcomes in securities law cases, Petitioners and the United States have espoused a rule that is directly contrary to this Court's holding in *Basic*. That decision explicitly authorized defendants to attempt to defeat class certification by introducing evidence that the market did not, in fact, rely on the alleged misrepresentations. *Basic* has been settled law for more than two decades; WLF respectfully submits that if Petitioners and the United States seek to overturn *Basic*, they should take their case to Congress.

CONCLUSION

Amicus curiae requests that the Court affirm the the judgment below.

Respectfully submitted,

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